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Daily Report

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Japan

Dollar 'Expected To Stay Wedged' in Tight Range

OW2910232493 Tokyo KYODO in English 2313 GMT
29 Oct 93

[Text] Tokyo, Oct. 30 KYODO—The dollar is expected to stay wedged in a tight range against the yen next week, unable to break through to the 110-yen level without fresh psychological impetus. The yen remains weak with new signs almost daily of a slumping Japanese economy and stock market, but dealers said a jittery Tokyo currency market wants assurance that Washington will not intervene before pushing the dollar higher.

Players predicted the dollar would range between 107 yen and 110 yen.

"It's not going to move," said Takao Sako, head of yen trading at Union Bank of Switzerland.

The dollar hardly moved this past week—dipping only 0.22 yen to end at 108.23 yen—except for a frantic session Thursday [28 October] that saw the U.S. currency lurch between 107.50 yen and 108.85 yen.

Speculators tested both ends of the recent trading range, and found them sturdy, on comments by U.S. economist and think tank head Fred Bergsten, whose ties to President Bill Clinton give his words weight in the currency markets. Bergsten, whose yen-bullish sentiments are credited with sparking this year's historic yen surge, told a Tokyo audience that he would be more "comfortable" with the dollar at 105 yen and that leading nations should intervene if it climbs beyond 110 yen.

Dealers noted that Bergsten, director of the Institute for International Economics, is not a government official, let alone policy maker, but his mention of 110 yen spooked a market that has not seen the dollar that high since mid-July.

"We want some sign that it's OK to cross 110 yen" from a senior U.S. financial authority such as Treasury Secretary Lloyd Bentsen and Undersecretary Lawrence Summers, said Yoshiki Hamada, senior foreign exchange manager at Asahi Bank. His bank predicts a 106.50-109.50 range for the week.

Without a concrete hint that the U.S. Government differs from Bergsten on intervention at 110 yen, gains will remain blocked, Hamada said. "But if there's any incentive to go beyond, we'll be there in a hurry."

Toru Itami, chief dealer at Yasuda Trust and Banking Co., agreed that a political incentive is needed before the dollar can crack the 110 yen barrier, or even break 109 yen, where heavy technical resistance lies.

Fuji Bank forecasts a 107-110 yen range, saying the dollar will remain firm in the aftermath of the Bergsten

comment. Japan's weak stock market and fresh talk that record-low Japanese market lending rates are heading even lower.

Sako at Union Bank of Switzerland said the dollar "may touch 110 yen" but will have trouble breaking it for the moment, even though the number holds no special significance. He maintained, though, that Washington is simply giving the new government of Prime Minister Morihiro Hosokawa some time to fashion a trade surplus-cutting plan, but that if an early 1994 bilateral summit produces no concrete results, high-yen pressure will resume.

U.S. Economist Urges 10-Trillion-Yen Tax Cut

OW0111105293 Tokyo KYODO in English 0935 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—A stronger yen will be instrumental in reducing Japan's huge current account surplus within two years, a U.S. economist said Monday [1 November].

C. Fred Bergsten, director of the Washington-based Institute for International Economics, told a private economic forum that the U.S. Government wants the yen to be stable at around 100 to 110 to the dollar. He proposed coordinated intervention among major countries to keep the dollar within the 100 yen to 110 yen range.

An increase in Japan's current account surplus would be tantamount to Tokyo exporting its unemployment, he said.

Bergsten called for Japan to cut income tax by 10 trillion yen as a way to shore up domestic demand.

Bergsten is said to have some influence on the economic policy of U.S. President Bill Clinton. His call for a strong yen earlier this year is said to have partly caused the dollar's downswing to nearly 100 yen in August.

"There is plenty of room for a substantial tax cut," Bergsten said, adding that it would have the "favorable psychological effect" of showing the government's desire to address the nation's slumping growth without resorting to the "easy money" fix of the 1980s.

Raising the consumption tax would cut spending, force up Japan's already high savings rate and worsen the trade surplus, which "would simply not be accepted by the rest of the world," Bergsten said. His currency and trade calculations assume Japan regains its "steady-state growth potential" of 3 percent to 3.5 percent a year, which he said would require such steps as a big tax cut. But if Japan's domestic demand continues to slump and its current account surplus remains high, "markets would probably drive the yen to a stronger level," as high as 95 yen to the dollar, he said.

On the other hand, freer trade could allow the yen to weaken while still meeting the surplus-cutting target, he said.

Bergsten said Japanese trade barriers block up to 18 billion dollars a year worth of U.S. goods from entering Japan and probably 20-40 billion dollars worth of products worldwide.

If Japan could boost imports by some 15-20 billion dollars a year by scrapping trade barriers and restrictive practices, he said, the dollar's "equilibrium range" would slip to 105-115 yen. He applauded Prime Minister Morihiro Hosokawa's efforts to deregulate the economy but scoffed at suggestions by the Finance Ministry that Japan cannot cut taxes without paying for them because the apparent budget surplus is really tied up in social security trust accounts.

That is a "tortured definition" of a budget that contradicts those of other countries that are based on a "government's consolidated fiscal position," Bergsten said. He repeated that this year's jump by the yen was too fast, saying it was an adjustment after government authorities "went to sleep at a crucial time," letting the yen weaken too much in the past several years.

Bergsten also expressed sympathy for Japanese exporters, hurt by the strong yen, saying the current dollar-yen range "is going to cause an adjustment problem for individual companies. It's painful, it's unfortunate, it's disruptive, but it's necessary."

With the high yen, Japanese companies will be "forced to shift their focus from the foreign market to the domestic market," he said.

Official Cites Comments

OW0111090193 Tokyo KYODO in English 0822 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Japan's foreign exchange reserves posted the first month-to-month fall in eight months in October, dropping 543 million dollars from September to 95.22 billion dollars, the Finance Ministry reported Monday [1 November]. The foreign reserves include convertible foreign currencies, gold and international monetary fund special drawing rights.

Briefing reporters, a ministry official as usual declined to comment on reasons, but said a yen-dollar rate moving in a 4 yen range was "not stable" compared with September's 2.63 yen. He cited wild fluctuations in late October on comments by top U.S. economist Fred Bergsten calling for a 100-110 yen range and saying that he is "more comfortable" with 105 yen.

The official rejected Bergsten's idea of setting a target zone.

Market experts closely follow fluctuations in foreign reserves as evidence of intervention by the Bank of Japan.

The dollar started the month at 106.00 yen and ended at 108.23 yen, with the low at 104.92 yen and the high at 108.85 yen.

On a global comparison using the latest data available, Japan gave up its lead of two consecutive months to Germany, which posted 108.6 billion dollars in August.

The official said the rise in German reserves apparently reflected "some moves" to stem the unrest in the European Monetary System (EMS) in the July-August period.

Taiwan was third with 83.5 billion dollars in July, and the United States followed with 77.1 billion yen in August, and then Spain with 42.1 billion dollars in August.

Mayor Urges U.S. To Stop Navy Construction

OW3010033693 Tokyo KYODO in English 0318 GMT
30 Oct 93

[Text] Washington, Oct. 29 KYODO—Zushi Mayor Mitsuyo Sawa said Friday [29 October] she has pleaded with the United States to halt the ongoing construction of a housing complex for U.S. Navy personnel assigned to a base in Yokosuka, west of Tokyo.

Sawa told a news conference here her meetings with American officials gave her the impression that President Bill Clinton's administration is more receptive to her request than that of the preceding administration of George Bush. The construction site, located in the city of Zushi in Kanagawa Prefecture, has rich natural surroundings.

"I achieved my goal of appealing to U.S. Government officials in charge of the matter to consider our request," she said.

She said a senior official of the president's National Security Council promised to probe "the possibility" of altering the project. "When my predecessor Mayor Kiichiro Tomino visited the United States, he could not even meet with White House and State Department officials in charge of the matter," she said.

Sawa, who was elected last November, campaigned on the ecologist cause of protecting a large forest at the construction site. The proposed site was the U.S. forces' Ikego Ammunitions Depot until 1978.

The Zushi project calls for building 112 housing units for the 920 families assigned to the U.S. naval station in Yokosuka.

The Japanese Government is shouldering the cost of the construction, as the Japan-U.S. mutual defense pact obliged Japan to provide housing facilities to U.S. troops stationed in Japan.

Analysts on Becoming World's Top Rice Importer
OW011101593 Tokyo KYODO in English 0943 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Japan may become the world's biggest rice importer if it makes up for an estimated two million tons of shortage in domestic supplies with foreign rice as expected, analysts said Monday [1 November]. They said the two million tons of rice expected to be imported is double the amount that Iran bought in 1992, thus making Japan the world's biggest rice importer.

Faced by the worst rice harvest since the end of World War II, due to the bad weather, Japan announced in September that it would buy 200,000 tons of foreign rice, all for processing, as its first emergency import of rice since 1984. But the figure is expected to eventually increase, since about two million tons of rice in the wake of the expected extremely bad rice crop as a result of this year's exceptionally wet and cool summer, the analysts said.

According to figures published by the governmental Japan External Trade Organization (JETRO), Iran's figure accounted for the biggest sum in the world's total rice imports of 13.6 million tons in 1992.

The JETRO report, based on data provided by the United Nations Food and Agriculture Organization (FAO), also said that global rice imports for 1993 should shrink slightly. This projection prompted the analysts to say that Japan's expected imports will surely be the highest, although they noted that the timing of the imports may affect the country's ranking.

In the year before last, Japan imported only 17,900 tons of rice, all used to make sake or other products.

Effect of Rice Shift on Soybean Output Viewed
OW0111082393 Tokyo KYODO in English 0757 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Japan's domestic soybean output is likely to plunge as farmers shift to the more profitable rice market, industry sources said Monday [1 November].

Soybean production in Japan, which markedly dropped after liberalization of the market in 1961, has gradually increased since 1978 under the government's call that some rice paddies be used to grow other types of grains and vegetables. The government urged such action to avoid an oversupply of rice and maintain rice prices.

The average crop of soybeans per square kilometer is about one-third that of rice and in terms of price two-thirds that of rice, according to sources at the National Federation of Agricultural Cooperative Associations. However, after the government eased rice output controls in fiscal 1992, the overall soybean acreage

dropped notably in the current fiscal year, plunging by 22,500 hectares to 87,400 hectares, they said.

The combined production of soybeans in 20 major growing areas in Japan for this year is forecast to fall 53,900 tons from last year to 96,900 tons.

With record poor rice harvests this year, the government has announced it would further ease rice production controls, accelerating farmers' shift from soybeans to rice, they said.

Another discouraging factor for soybean growers is that soybean prices have not risen since fiscal 1991, and Japan's agricultural policy is excessively focused on rice, they said.

Australia's Cook Urges Agricultural Reform Plan
OW0111084493 Tokyo KYODO in English 0816 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Australian Minister for Trade Peter Cook urged Japan on Monday [1 November] to draw up a program for agricultural reform, including replacing its rice import ban with tariffication, if it is to save the Uruguay Round of trade negotiations.

Senator Cook told journalists at the Foreign Correspondents' Club of Japan that it is in Japan's interests to fully participate in the multilateral trade negotiations. The negotiations are part of the ongoing talks to achieve agreement on market access under the General Agreement on Tariffs and Trade (GATT). GATT Director General Peter Sutherland has said he wants all negotiations completed by December 15.

Cook quoted a "recent private study" estimate that worldwide reduction in trade protection would lead to Japan's gross domestic product (GDP) increasing by an additional 5.1 percent by 2002, and 6.5 percent by 2005.

"Japan cannot expect to be able to take advantage of the huge benefits now on offer in the Uruguay Round unless Japan also shows a willingness to dismantle the trade distorting policies which have for so long been a barrier to overseas exporters and a burden to domestic consumers," he said.

Cook, here to attend a Japan-Australia cabinet-level meeting on Tuesday, said that even if Japan opened its rice market with a six-year program of tariffication, the Japanese rice industry would still be "predominantly self-sufficient. The simple point is that it is simply unsustainable for one of the world's largest and most productive economies to maintain an embargo on any trade item," Cook said.

Cook, who heads the Cairns Group of Agricultural Nations, said a study by the Organization for Economic Cooperation and Development (OECD) indicates that subsidies paid to farmers by taxpayers and consumers in

the industrialized world in 1992 amounted to 354 billion dollars. He said this is equivalent to 600 dollars per person in Japan.

Cook, who spent the past two weeks in Europe lobbying for compliance with the Uruguay Round timetable, said countries participating in the Round should not yield to vested interests.

He said France, one of the most vocal opponents of the Round's recommendations on freeing the world's agricultural trade, has an agricultural sector which represents only 3.6 percent of its gross national product (GNP) and 6 percent of its labor force.

Cook said this compares with its position as the world's fourth-largest goods exporting nation and the second-largest exporter of services. He said the 14-member Cairns Group, which does not include European Community (EC) countries, accounts for about one-fifth of the world's agricultural exports and represents the same number of people as the combined populations of the EC and the United States.

"The Cairns Group countries are themselves major markets for the rest of the world, but their economic performance, and ability to absorb imports, is severely constrained by policies which may have been defensible 40 years ago, but which now have a ruinous effect on agricultural trade," he said.

Hata Rejects Australian Request

*OW0111043493 Tokyo KYODO in English 0352 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Australian Trade Minister Peter Cook urged Japan on Monday [1 November] to accept comprehensive tariffication to bring a successful conclusion to the stalled Uruguay Round of multilateral trade talks. Foreign Ministry officials said.

Foreign Minister Tsutomu Hata, however, rejected the call in a 30-minute meeting with Cook, saying it is difficult for Japan to accept the tariffication because of various problems, the officials said.

He said, however, that he will make utmost efforts to bring a successful conclusion to the trade talks. He also pointed out the need to use the upcoming Asia-Pacific Economic Cooperation (APEC) forum to promote the round, they said.

Cook predicted that the Uruguay Round will be able to be completed by the December 15 deadline. He cited a softening stance by France, saying he felt in his recent visit to Europe that France has abandoned its ideas for partial solution of the trade talks, the officials said.

The Australian trade minister, in Japan to attend the Japan-Australia cabinet-level meeting on Tuesday, also called for Tokyo to help Australia in boosting market-access to the Association of Southeast Asian Nations (ASEAN), they said.

Treasury Posts Surplus From Poor Rice Harvest

*OW0111122393 Tokyo KYODO in English 1128 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—The National Treasury posted a monthly surplus of 506.4 billion yen in October, the first surplus for the month in 10 years, as it spent less money on rice because of a poor harvest, the Finance Ministry said Monday [1 November].

The treasury usually records a big deficit in October as it pays farmers for rice that month. Last year, it posted 2,057.1 billion yen deficit in October.

Meanwhile, the ministry's Trust Fund Bureau had a surplus of 523.7 billion yen in the month, in contrast to a deficit of 2,090.5 billion yen a year earlier.

Diet Not To Vote on Rice Tarification Bill

*OW0111122493 Tokyo KYODO in English 1149 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—The Diet will not vote on a resolution proposed by the opposition Liberal Democratic Party (LDP) to reconfirm Japan's rice import ban, parliamentary sources said Monday [1 November]. Keiwa Okuda of Shinseito, chairman of the House of Representatives Steering Committee, decided to shelve the resolution proposed by the LDP last Thursday, they said.

At a committee meeting, Shinseito [Japan Renewal Party], Sakigake [Harbinger], the Japan New Party and Komeito [Clean Government Party]—all coalition government parties—opposed a vote, saying the Diet has already passed similar resolutions three times, the sources said. Two other coalition members—the Social Democratic Party and the Democratic Social Party—followed suit, they said.

Sadatoshi Ozato, chairman of the LDP Diet Affairs Committee, criticized the government at a press conference for not allowing the Diet to respond to farmers' hopes of keeping Japan's market closed to foreign rice.

The LDP proposal, submitted to speaker Takako Doi, urged the government to reject a proposed tariffication scheme, which would include rice, being discussed in the Uruguay Round of global trade talks in Geneva. The resolution urged the government to maintain its policy of self-sufficiency in rice.

A Diet resolution legally has no binding power but cannot be easily ignored by the government.

Vice Education Minister on Opening Rice Market

*OW0111051393 Tokyo KYODO in English 0450 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Japan may need to open its rice market to improve productivity in its rice growing, the parliamentary vice education minister said Monday [1 November].

Motoo Abe said at a meeting of parliamentary vice ministers that "it may not be possible to make rice an exception" to the proposed conversion of Japan's ban on rice imports into tariffs at the Uruguay Round of world trade talks. "Some competition may be necessary to improve productivity" in Japan's rice growing, Abe said.

Abe, a member of the Democratic Socialist Party, made the remarks after Maki Murasawa, parliamentary vice agriculture minister and a member of the Social Democratic Party, said at the meeting that the Ministry of Agriculture, Forestry and Fisheries will keep its stance of rejecting the tariffication scheme.

Noting the huge difference between the international market price of rice and Japanese rice prices, Abe said, "other industries are facing competition. Rice cannot be an exception."

Japan has long banned the import of rice, asserting that it needs to maintain self-sufficiency in the staple food. In the Uruguay Round negotiations under the General Agreement on Tariffs and Trade (GATT), Japan has been called on to replace the ban with tariffs.

Tokyo Studies Options on Rice Market Opening

OW3010061893 Tokyo KYODO in English 0610 GMT
30 Oct 93

[Text] Tokyo, Oct. 30 KYODO—Japan will tell the United States it will study several options for the opening of its rice market to cooperate for a successful conclusion of the Uruguay Round of world trade talks, government sources said Saturday [30 October].

The sources said Prime Minister Morihiro Hosokawa is ready to reveal Japan's stand if asked during his meeting with U.S. President Bill Clinton in Seattle next month.

Hosokawa and Clinton are scheduled to hold their second meeting during a summit of the Asia-Pacific Economic Cooperation forum in mid-November. Hosokawa had his first meeting with Clinton since taking office in August when he attended the U.N. General Assembly session in New York in September.

The sources said the options include a six-year moratorium before Japan accepts replacement of its rice import ban with tariffs and levying tariffs on the total weight of imported rice instead of prices to ease the impact of foreign exchange fluctuations and volatile market movements.

Hosokawa, however, will stress to Clinton that the rice issue is of particular importance for Japan's food culture and environmental preservation, the sources said. Japan has adamantly refused to open its rice market to imports on grounds of food security.

Displaced Women Refuse To Board Plane to PRC

OW0111080693 Tokyo KYODO in English 0734 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Five out of 17 Japanese women who became stranded in northeast China immediately after World War II refused to board a Beijing-bound plane Monday [1 November] after having their first homecomings in five decades.

The five women were immediately driven back to Tokyo in a bus from Narita Airport in Chiba Prefecture, pleading to the Ministry of Health and Welfare to give them permanent residency permits in Japan. They will be given tentative shelter at a refugee facility in Tokorozawa, Saitama Prefecture, ministry officials said.

The officials said the ministry will decide how to respond to the women's resettlement requests after interviewing them for details about their family backgrounds and legal matters. In the bargaining at a ministry room, Kazuo Takenoshita, chief of a ministry bureau in charge of war-displaced people, urged the five to live up to a Sino-Japanese diplomatic arrangement, under which such Japanese are obligated to return to China to find a way to settle the matter of their remaining spouses and children before resettling in Japan.

The 17 women flew to Japan on October 14 for a two-week tour of their home country or to see if their relatives would sponsor their resettlement in Japan. They had been invited by a 17,000-member "shunyokai" civic group of Japanese volunteers that promotes reunions between these war-displaced people and their Japanese families.

The five women who refused to return, however, did not contact their relatives, officials said. "I firmly refuse to return to China," one of the five told KYODO NEWS SERVICE. The other 12 women boarded the Japan airlines jet for the return flight.

The ministry identified the five as Ayame Sugawara, 77, Hideko Aoyagi, 67, Yoshie Endo, 70, Masashi Oikawa, 72, and Misao Shibui, 76. These women were granted permanent Chinese residency after they strayed from their families in August 1945 in their desperate bid to escape the invading Soviet Red Army in the final days of the war. They say they married Chinese men to survive the postwar turbulence.

The women are the daughters of wartime Japanese settlers who moved to Manchuria in northeastern China under Japan's control.

The exodus of settlers and Imperial Army soldiers back to Japan was triggered when the Soviet Red Army abruptly invaded Manchuria on August 8.

Amid the stampede, tens of thousands of children and adults were stranded or left in China. Historians say about 600,000 were captured by Soviet troops and detained in Soviet labor camps.

The ministry estimates the number of Japanese women remaining in China at 1,800. A total of 2,540 women have returned to Japan after obtaining legal guarantors, either relatives or good-will citizens.

In addition to these women, the ministry estimates that about 2,500 Japanese "war orphans" were nurtured by Chinese foster parents after separation from their Japanese parents. About 1,700 of them have returned to Japan. At present, a total of 32 war orphans are currently in Tokyo to establish their identities and find relatives.

The Japanese Government recognizes these women and orphans as Japanese nationals and issues passports to them. In China, they are given alien registration cards as spouses of Chinese nationals.

Planned Hosokawa, Kim Yong-sam Meeting Previewed

OW3110085393 Tokyo KYODO in English 0836 GMT
31 Oct 93

[Text] Tokyo, Oct. 31, KYODO—Prime Minister Morihiro Hosokawa will reiterate Japan's remorse and apology to Korean women forced to work at frontline brothels during World War II when he meets South Korean President Kim Yong-sam on Saturday [6 November], government sources said Sunday.

Hosokawa will visit the ancient Korean city of Kyongju on November 6 and 7 for the talks with Kim. In the meeting, Hosokawa will propose building a new era of Japan-South Korea relations and promoting bilateral cooperation by expanding personnel exchanges, the sources said.

On the trade imbalance in favor of Japan, Hosokawa and Kim will agree to respect proposals slated to be submitted by a group of business leaders from both countries to the two leaders Monday, according to the sources.

On the issue of North Korea's suspected nuclear weapons development, Hosokawa will propose close contact among Japan, South Korea and the United States, and a settlement through negotiations without invoking UN punitive measures.

Hosokawa hopes that the coming meeting with Kim will become the first step toward building personal trust with the South Korean president, the sources said.

1938 Official Document on 'Comfort Women' Quoted

OW3010024193 Tokyo KYODO in English 0206 GMT
30 Oct 93

[Text] Tokyo, Oct. 30 KYODO—Japan's wartime colonial administration in Korea was involved in the enforced prostitution of Korean women for Japanese soldiers at Chinese frontline brothels as early as 1938, the MAINICHI SHIMBUN reported Saturday [30

October]. The leading daily, quoting a 1938 document compiled by a Japanese official of the Government General of Chosen (Korea) headquartered in Seoul, reported the administration used to monitor the movements of Korean women who were forced to provide sex services to Japanese Imperial Army troops.

The document was discovered by Chuo University Professor Yoshiaki Yoshimi and fellow researchers in a South Korean Government archive, the MAINICHI said in a front-page article. The document, dated March 1, 1938, was a report sent to the director of the colonial administration's Foreign Affairs Bureau from the official dispatched to northern China.

In 1938, the Japanese Imperial Army was waging war against troops of Chinese Leader Chiang Kai-shek following the 1937 Marco Polo Bridge clash, which followed the annexation of Manchuria by Japan in 1932.

The document describes the movements of Korean and Japanese women who were issued with special travel permits to the frontline in southern China by the intelligence unit of the Imperial Army. It says, "Out of 115 Korean women, hostesses numbered 101. By profession, a great majority of these women fall into the category of special women," who the daily said correspond to sex slaves called "comfort women."

Yoshimi told the MAINICHI, "the document shows that Japan's colonial administration in Korea connived in the enforced prostitution of the comfort women" by the army.

German Party Leader Urges Creation of Markets

OW011111193 Tokyo KYODO in English 1012 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—Japan should create new markets to boost economic reforms, Germany's Free Democratic Party (FDP) honorary leader Otto Lambsdorff said Monday [1 November].

Lambsdorff told Foreign Minister Tsutomu Hata that as Japan's economic reforms have so far not been fruitful, new markets should be developed to utilize people who have been laid off and cannot return to their former jobs, Foreign Ministry officials said. He was also quoted as saying the private sector rather than the government should be responsible for creating such markets.

Hata agreed, saying the government should take the initiative in carrying out deregulation but other economic reforms should be introduced by businesses, the officials said.

In the 30-minute meeting, Lambsdorff also called for maintaining cooperative ties between the FDP and the Japan Renewal Party (Shinseito) led by Hata, they said. The FDP is Germany's third largest party in the Federal Assembly and a member of the coalition government.

Earlier in the day, Lambsdorff met Prime Minister Morihiro Hosokawa and discussed Japanese political reform, Russia and Japanese-German relations.

Lambsdorff told Hosokawa this year's visit to Germany by Emperor Akihito and Empress Michiko contributed to ties and helped create a new image of Japan in his country, they said.

Relatives of KAL Victims Launch Petition Drive

OW0111102793 Tokyo KYODO in English 0948 GMT
1 Nov 93

[Text] Fukuoka, Nov. 1 KYODO—Relatives of Japanese victims of the 1983 shootdown of a Seoul-bound Korean Air Lines flight over Sakhalin launched a signature drive Monday [1 November] demanding that Russia reveal all details concerning the incident.

The relatives, who have formed an association, hope to collect 10,000 signatures over the next month and plan to hand the petition to Foreign Minister Tsutomu Hata to deliver to Russian President Boris Yeltsin when they meet in Moscow in January.

A fighter aircraft of the defunct Soviet Union shot down the KAL Boeing 747 over the waters off Sakhalin on September 1, 1983, killing all 269 passengers and crew members aboard.

Members of the association visited Moscow in March and along with families of South Korean and U.S. victims, demanded the Russian Government reveal details of the crash, hand over recovered possessions of the victims, compensate families and issue an apology. The Russian Government, however, rejected the demands saying the jetliner was shot down when it invaded Soviet airspace, which was later reported to be due to a navigational error.

In September, some association members visited Nefel'sk on Sakhalin where the recovered possessions of the victims have been stored, but received no indication the possessions would be returned to them.

STA's Eda Rules Out Radioactive Waste Dumping

OW0111121393 Tokyo KYODO in English 1140 GMT
1 Nov 93

[Text] Okayama, Nov. 1 KYODO—Japan will not dump radioactive waste from its nuclear power stations into the ocean, Science and Technology Agency [STA] Chief Satsuki Eda said Monday [1 November].

The state minister made the comment at a news conference during an inspection tour of an uranium enrichment facility at Ningyo Toge in Okayama Prefecture. "I don't think that for Japan's part, we have to retain the option of ocean dumping," Eda said. "It should be made clear that we will not dump in the ocean."

Eda said Japan will indicate that it will dispose of all nuclear waste on land at a November 8 meeting in London of parties to the Convention on the Prevention of Marine Pollution by Dumping of Waste and Other Matter—otherwise known as the London Dumping Convention.

This is in spite of a recommendation from the Atomic Energy Commission, an advisory body to the prime minister, that Japan apply regulations covering the disposal of nuclear waste at sea and on land as part of its long-term plans for the nuclear industry.

Eda's comment indicates the government has eliminated disposal at sea as an option.

From 1955 to 1965, Japan disposed of radioactive waste material used for medical purposes in the sea off Sagami Bay and several other sites, but it has not disposed of radioactive waste matter from the nuclear power industry at sea.

In 1980 and 1981, Japan planned to dispose of such waste in the southern Pacific Ocean but abandoned the plan after opposition from Fiji and other island nations.

In 1983 and 1985, London Dumping Convention nations agreed to a temporary ban on ocean disposal and Japan endorsed the plan but retained the option in its long-term plan. Japan ratified the convention in 1980.

Technology Sought for Peacekeeping Operations

OW3010033593 Tokyo KYODO in English 0245 GMT
30 Oct 93

[Text] Tokyo, Oct. 30 KYODO—Norwegian Foreign Minister Johan Holst asked Japan on Saturday [30 October] to help counter the insufficiency of U.N. peacekeeping personnel by finding ways to replace humans with high-tech gadgets. Electronic sensors can help peacekeepers observe cease-fires, and they are cheaper and more efficient than people, Holst said at the close of a three-day visit.

"Manpower is going to be a commodity in short supply because there is so much demand for peacekeeping, so we have to pay more attention now to how we can combine man and machine, or women and machine," Holst said in a group interview.

Holst said Japan expressed strong interest in holding a joint seminar to explore how technology can be exploited to reduce U.N. requirements for peacekeeping personnel. He met with Prime Minister Morihiro Hosokawa and Defense Agency Chief Keisuke Nakanishi on Friday for wide-ranging talks that touched on peacekeeping, the Middle East and Russia's dumping of radioactive waste in the Sea of Japan.

On the Middle East peace process, Holst, a key player in the secret talks that resulted in the recent historic agreement between Israel and the Palestine Liberation Organization (PLO), expressed optimism that Syria too will eventually arrive at an agreement with Israel.

Despite Syria's view that the September accord has made a comprehensive peace more difficult, Holst said Norway believes the breakthrough has "created a certain degree of historic inevitability."

The involvement of Jordan and successful regional economic cooperation are particularly important to moving the peace process ahead, Holst said. "When you start seeing the benefits of working together in peaceful ways, that will also exercise a certain pressure on those countries that now feel reluctant to enter the process," he said.

Holst asserted that his success in paving the way for the accord between the longtime rivals demonstrated that the 19th century diplomatic practice of secrecy remains important. "We have had some misguided discussions about secrecy and democracy. It is not a democratic requirement that all diplomatic negotiations be conducted in floodlight, with the press present," he said.

"What is important is that the results of negotiations are submitted to constitutional processes for consideration and approval so that there is accountability," he added.

Following the end of the Cold War, Holst said there is a greater need for mediation services by impartial small and medium-sized nations. But parties to the conflict must also bear more responsibility, because they can no longer back out of agreements by saying they were imposed by superpower sponsors, he said.

"We are more back to traditional diplomacy where countries have to assume a greater deal of responsibility for their own affairs, and the great powers will more observe their limits for their own involvement," he said.

Holst was to leave for South Korea later in the day.

Hosokawa Proposes 1976 Defense Policy Revision

OW3110054193 Tokyo KYODO in English 0534 GMT
31 Oct 93

[Text] Tokyo, Oct. 31 KYODO—Prime Minister Morihiro Hosokawa proposed Sunday [31 October] an early revision of Japan's 1976 basic defense policy which spells out the country's defense initiative and formation of the Self-Defense Forces (SDF).

Hosokawa, speaking to 5,000 SDF personnel at an annual military parade, said Japan needs to reconsider "meaningful defense" in the post-Cold War era. "It is necessary to streamline the basic stance for Japan's defense, considering what kind of defense is meaningful under the changed situation," he said.

Hosokawa also said that Japan should take the initiative on global disarmament.

The government of then Prime Minister Takeo Miki of the Liberal Democratic Party drew up the basic defense program in 1976 at the height of the Cold War era. The program, called the National Defense Program Outline, calls for maintaining security arrangements with the United States to defend Japan against massive invasion while building an SDF that can repel limited-scale aggression on its own.

The Defense Agency is working on an interim report on revision of the 1976 program, focusing on issues such as designating participation in United Nations peace-keeping operations as one of the SDF's main duties, defense sources said.

One hundred military planes took part in the military review at the Ground Self-Defense Force's Asaka training range in Saitama Prefecture, 25 kilometers north of Tokyo.

The SDF is made up of some 151,000 ground troops, while the Maritime Self-Defense Force has 42,000 personnel and the Air Self-Defense Force, 44,000.

Draft Bill Limits Type of Rescue Planes

OW0111104393 Tokyo KYODO in English 0910 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—The ruling coalition agreed Monday [1 November] to limit in principle the type of aircraft it might send to rescue Japanese caught in crises overseas to government-owned passenger planes. Chief Cabinet Secretary Masayoshi Takemura said. The agreement followed the Social Democratic Party's (SDP) opposition to the government's original plan to use all types of Self-Defense Forces (SDF) aircraft for such rescue missions.

The seven ruling coalition parties reached the accord in a meeting of their representatives. The government currently possesses two Boeing 747 jumbo jets for such missions.

Takemura said the proposed limitation will be incorporated into a draft bill to be submitted to the Diet soon after receiving cabinet endorsement as early as Friday.

The SDP, the largest among the seven, opposed the original plan, saying such a law might be subjected to loose interpretation and open the way for deployments of SDF troops and military aircraft, even on occasions other than rescue missions. However, the bill would allow the government to use the SDF's cargo planes if runways at destination airports are too short for a jumbo jet to land or when the number of Japanese citizens to be rescued are small, they said.

The seven parties also agreed to obligate the government to "ascertain the safety of flight routes and airports at destination countries" where Japanese citizens are

caught in such urgent situations as wars or conflicts, before any dispatch is made, they said.

The government of Prime Minister Morihiro Hosokawa also agreed to drop from the bill a provision that would have empowered the foreign minister to order immediately a dispatch of rescue aircraft without seeking the consent of other cabinet ministers.

Instead of this provision, the seven parties agreed to formally adopt "in the form of a cabinet decision" a requirement subjecting any dispatch to a cabinet approval, they said.

The SDP also secured a compromise from its coalition partners to limit to handguns the type of arms an SDF trooper can carry in accompanying such missions, they said. The limitation on the type of arms will also be formalized in a cabinet resolution, they said.

The SDF-proposed amendments to the draft bill will be incorporated into the Self-Defense Forces law's article 100, they said.

During the regular Diet session that started January 22, the then ruling Liberal Democratic Party proposed a less restrictive bill that would have empowered the foreign minister to order the dispatch of any SDF aircraft by himself. However, the bill became bogged down when the House of Representatives passed a no-confidence motion against the government of Prime Minister Kiichi Miyazawa, leading to the July 18 general election that subsequently removed the LDP from power.

Hosokawa on Resolve To Enact Reform Package

*OW3110122893 Tokyo KYODO in English 1217 GMT
31 Oct 93*

[Text] Tokyo, Oct. 31 KYODO—Prime Minister Morihiro Hosokawa repeated his strong resolve Sunday [31 October] to enact a package of political and electoral reform bills by the end of the year, saying he will do whatever he can, his aides said.

In a meeting with Ichiro Ozawa, co-leader of Shinseito (Japan Renewal Party), one of the seven ruling parties in the coalition government, Hosokawa also suggested his readiness to make revisions to the government-proposed package, they said. Hosokawa said such revisions will be made on condition that the opposition Liberal Democratic Party (LDP) make concessions on the matter, according to the aides.

Hosokawa asked for Ozawa's cooperation in making a consensus within the seven coalition parties on the revision of the government-submitted bills. In response, Ozawa was quoted as telling Hosokawa that as a member of supporters for Hosokawa's cabinet, he will do his utmost to get the package through the Diet, whose current session is due to end December 15.

Ozawa also said that he will begin negotiations within the coalition parties to work out a revised package of the bills, the aides said.

Ozawa, former LDP secretary general, was instrumental in inaugurating in August the coalition government headed by Hosokawa, which toppled the LDP's 38-year-old grip on power.

Hosokawa pledged just after his government's inauguration that he will step down if he fails to realize political and electoral reforms by passing the package by the end of the year.

Two reform packages—one proposed by the coalition government and the other submitted by the LDP—are being debated at an ad hoc committee of the House of Representatives.

The seven-party coalition bills call for replacing the current 511-seat lower house with a combination of 250 single-seat constituencies and 250 proportional representation seats.

Under the coalition plan, voters would cast two ballots—one for single-seat districts and the other for proportional representations in a nationwide constituency.

The LDP bills call for a combination of 300 single-seat electoral districts and 171 proportional representation seats in the lower chamber. Under the bills, each voter would cast one ballot for the single-seat candidates that would be also applied to the proportional representation count.

Lower House Members Favor Dual Election System

*OW3110033893 Tokyo KYODO in English 0311 GMT
31 Oct 93*

[Text] Tokyo, Oct. 31 KYODO—More than 85 percent of Japan's House of Representatives endorse plans to replace the multiseat lower house election system with a combination of single-seat constituencies and proportional representation, the ASAHI SHIMBUN reported Sunday [31 October].

The mass circulation daily said it surveyed all 511 members on Tuesday, Wednesday and Thursday. It said 477 legislators, or 93 percent, responded. The figure included 250 members of the ruling coalition parties, and 204 of the Liberal Democratic Party, the main opposition and former ruling party.

The ASAHI said 408 legislators, or 85.5 percent, favor introducing the dual election system for the powerful lower chamber.

Forty-eight members, or 10.1 percent, opposed the proposal while the remaining 21 gave other replies. Of the reform supporters, however, 120 legislators said they had other ideas about restructuring the election system

but would follow the policy line of their parties because they have opted for the combination system.

The ASAHI poll showed that 243 of the 250 coalition members and 160 of the 204 LDP [Liberal Democratic Party] members support the electoral reform plan.

Prime Minister Morihiro Hosokawa has staked his career on achieving political reform quickly. It is an issue that led to the fall of the previous LDP government.

The coalition's combined strength in the lower house stands at 259, compared with the LDP's 227.

The survey showed that 245 legislators, or roughly half the respondents, expected political reform bills to be enacted in the current extraordinary Diet session set to end December 15. Only 21, or 5 percent, thought the bill would not get approval in the Diet.

Meanwhile, the metropolitan daily TOKYO SHIMBUN also carried out a similar survey from October 21 to 29, covering all lower house members, of whom 285, or 55.8 percent, responded.

The TOKYO SHIMBUN survey showed that 93.3 percent of coalition members and 82.9 percent of LDP members support the dual election system, while only 2.7 percent of governing parties and 17.1 percent of LDP members are opposed.

Of coalition members responding, 56.0 percent insisted that the lower house should take a vote on political reform bills if ruling and opposition parties fail to narrow differences.

Both the coalition government and the LDP have tabled two sets of political reform bills.

The government plan proposes allocating 250 seats each to single-seat districts and to proportional representation, while the LDP plan calls for creating 300 single-seat constituencies and electing 171 seats from proportional representation.

The survey also found that 38.6 percent of ruling party members and 89.0 percent of LDP members are against railroading the bills through the Diet, saying that the ruling and opposition parties should aim to implement the bills based on agreement.

Committee Urges Compromise on Reform Bills

OW011142793 Tokyo KYODO in English 1402 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—A private panel on political reform Monday [1 November] urged the coalition government and the opposition Liberal Democratic Party (LDP) to meet each other halfway on reform legislation for the good of the country.

Masao Kamei, head of the Committee for the Promotion of Political Reform, said as both sides have reached a

consensus over the basic course of reform, they should compromise over their remaining differences.

Labor Leader Akira Yamagishi, a member of the committee, said, "I want the ruling coalition and the LDP to listen to the voices of the public and find common ground."

The emergency meeting of the committee, also attended by about 90 reformist Diet members from the coalition and LDP, came after the government decided earlier Monday to discuss revisions of its political reform bills with the opposition.

Moves for political reform centering on electoral changes and tighter curbs on political funding have gathered pace in Japan over the past five years due to an array of scandals involving leading LDP politicians.

Teruhiko Mashiko, an LDP member in the House of Representatives, said it is important to compromise with the government on reform, even though he believes his party's package is best. Mashiko also suggested Prime Minister Morihiro Hosokawa and LDP President Yohei Kono meet to narrow differences between each side's bills.

Sadao Hirano, a Shinseito [Japan Renewal Party] member of the House of Councillors, said, "Should the reform bills fail to be enacted by the end of the year, the government can no longer handle other crucial tasks such as resuscitating Japan's strong economy, and administrative and taxation system reform."

Makoto Taneda, an upper house member of the Social Democratic Party, said the reform must be made "at the cost of our political life."

Susumu Yanase, a lower house member of Sakigake (harbinger), said, "If we fail to draw a conclusion again, people will get it into their heads that politicians lack self-cleansing power, deepening their distrust in politics."

Some expressed hope the committee will serve as a bridge between the two sides to realize the long-coveted reform during the extraordinary Diet session which closes December 15.

Hiroshi Yamada, a lower house member of Hosokawa's Japan New Party, asked the panel to hammer out a compromise plan to guide Diet deliberations into the right direction. In the last regular Diet session, the council unveiled a reform scheme as a possible alternative to those of the then ruling LDP and opposition parties.

However, Kenzo Uchida, who moderated an off-the-cuff discussion session at the meeting, replied, "I think things have gotten to the point where the Diet and the lawmakers of the ruling and opposition parties should take care of the rest themselves."

Murayama Seeks Vote on Government Reform Bills

OW0111073093 Tokyo KYODO in English 0536 GMT
1 Nov 93

[Text] Hiroshima, Nov. 1 KYODO—The leader of the Social Democratic Party (SDP) called Monday [1 October] for a vote in the House of Representatives of a government-proposed package of political reform bills if the ruling coalition cannot reach a compromise with the opposition camp.

Tomiichi Murayama, chairman of the SDP, the largest party in the ruling coalition, said the bills should be proceeded with "in accordance with parliamentary rules after committee deliberations run their courses."

Murayama's statement comes after the government began trying to forge a consensus among its seven member parties on revision of the government bills so as to ensure their enactment during the current extraordinary Diet session, which closes December 15.

Prime Minister Morihiro Hosokawa has vowed to get the package through the Diet by the end of the year.

On Sunday, the prime minister repeated his strong resolve to enact the bills by his self-imposed deadline but suggested readiness to make revisions to the legislation.

Hosokawa's coalition and the Liberal Democratic Party, ousted from power in August for the first time in 38 years, are at loggerheads over reform of the electoral system and political funding.

Ministry Conditionally Renews TV Asahi License

OW0111051593 Tokyo KYODO in English 0442 GMT
1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—The Posts and Telecommunications Ministry on Monday [1 November] renewed the broadcasting license of Asahi National Broadcasting Co. (TV Asahi) on condition it take "necessary measures" when the facts about allegations of bias become clear.

TV Asahi has been at the center of a controversy over allegedly slanted coverage during this summer's election campaign which saw the end of 38 years of rule by the Liberal Democratic Party (LDP).

The ministry renewed the licenses of Japan Broadcasting Corp. (NHK), the University of the Air Foundation and 191 private broadcasters, including TV Asahi. The license renewals for TV Asahi and the majority of broadcasters is five years. The Kinki Broadcasting System in Kyoto and a satellite firm broadcasting digital music were given only one- year renewals because of management problems.

The TV Asahi controversy emerged from remarks made by Sadayoshi Tsubaki, its former news bureau chief, at a meeting of the National Association of Commercial

Broadcasters in Japan in late September. He reportedly told his staff, "right now we should by all means block the continuation of the rule of the LDP government."

Tsubaki added that the remarks concerning the July 18 election "was not an order."

An advisory council to Posts and Telecommunications Minister Takenori Kanzaki recommended Friday that the ministry attach conditions on renewing the license of TV Asahi since Tsubaki's remarks caused "suspicion" of the network's election coverage.

Kanzaki urged TV Asahi President Kunio Ito and other heads of broadcasting companies in Tokyo to "obey the broadcasting law and the editing standards of each company and look to restore the trust of the people."

The July election of the powerful House of Representatives led to the inauguration in August of the coalition government led by Prime Minister Morihiro Hosokawa after the LDP failed to seize a majority in the lower house.

Kajima Asked To Submit Alleged Donations List

OW3110092593 Tokyo KYODO in English 0828 GMT
31 Oct 93

[Text] Tokyo, Oct. 31 KYODO—Prosecutors have asked major contractor Kajima Corp. to submit a list of recipients of its alleged secret donations during the past several years, prosecution sources said Sunday [31 October]. The Tokyo District Public Prosecutors Office hopes to have the scandal-tainted firm reconstruct its alleged secret account books and receipts that were said to be abandoned or destroyed, the sources said.

Investigators believe the Tokyo-based company tried to conceal secret funds to local government heads and politicians by shredding or burning evidence.

Kajima has in its annual reports entries of some 2 billion yen in expenses for which recipients are not recorded. Industry sources said a major portion of them were used as secret political donations and that actual secret donation amounts were more.

Prosecutors Thursday arrested two officials of Kajima on suspicion of destroying evidence relating to the alleged payment of secret funds to politicians.

The two suspects were identified as Suguru Akiyama, 52, a senior pay officer at Kajima's Tokyo head office, and Kenji Kawamura, 53, chief accountant at Kajima's Kanto branch office.

On Tuesday, Shinji Kiyoyama, 67, the company's senior vice president and chief of its civil engineering bureau, was arrested on suspicion of giving a 20 million yen bribe to former Ibaraki Governor Fujio Takeuchi, 75.

Earlier, prosecutors arrested Kazumi Suzuki, 64, deputy head at Kajima's Tohoku branch, and Ichiro Takagi, 57,

chief of Sendai operations, on suspicion of giving 10 million yen to former Sendai Mayor Toru Ishii, 67.

Kiyoyama allegedly instructed Akiyama to destroy evidence in its Tokyo headquarters and branches throughout Japan, the prosecution sources said.

A team of 40 prosecutors have investigated a recent wave of bribery scandals involving major construction companies and heads of local governments, of which 20 people are in charge of Kajima, the sources said.

Investigators recently set up a separate team to detect alleged flows of funds from contractors to politicians and bureaucrats, they said.

Prosecutors also believe Kiyoyama provided former political kingpin Shin Kanemaru, 79, with biannual donations of 10 million yen and former Prime Minister Noboru Takeshita with similar donations of several million yen to 10 million yen, the sources said.

Kanemaru, former vice president of the Liberal Democratic Party, is standing trial on charges of evading 1 billion yen in taxes on more than 1.8 billion yen in income, part of which came from construction companies.

Since late June, prosecutors have nabbed more than 20 people, including top construction company executives and four local government chiefs, in a series of influence-peddling money scandals.

Along with Takeuchi and Ishii, former Miyagi Governor Shuntaro Honma, 53, and Masahiro Oyama, 49, former Mayor of Sanwa, Ibaraki Prefecture, have been indicted on charges of taking bribes from construction firms.

Japan's top three builders—Shimizu Corp., Taisei Corp. and Kajima—have been implicated, along with other major contractors Hazama Corp., Nishimatsu Construction Co. and Mitsui Construction Co.

More Allegations in Kajima Scandal Reported

OW0111133893 Tokyo KYODO in English 1319 GMT 1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—An executive of major contractor Kajima Corp., under arrest in connection with the alleged bribing of a public official, had instructed his subordinates to destroy evidence that linked the scandal directly to the firm's management, industry sources said Monday [1 November].

Shinji Kiyoyama, 67, senior vice president and chief of the company's Civil Engineering Bureau, told employees on several occasions since March to dispose of secret account books, receipts and schedules of executives at branches's discretion, they said.

In a related development, prosecutors raided Kajima's Osaka branch to search for evidence in connection with the scandal.

The Tokyo District Public Prosecutors Office arrested Kiyoyama October 26 on suspicion of giving a 20 million yen bribe to former Ibaraki Gov. Fujio Takeuchi, 75.

Kajima president Akira Miyazaki told reporters shortly after Kiyoyama's arrest that individual employees may have destroyed documents but denied any management directives on the alleged destruction of evidence.

Among the subordinates gathered by Kiyoyama was Suguru Akiyama, 52, a senior accountant at Kajima's Tokyo head office, and Kenji Kawamura, 53, chief accountant at Kajima's Kanto branch office, they said. Akiyama and Kawamura were apprehended October 28 on suspicion of destroying evidence related to the alleged payment of secret funds to politicians.

Hiraiwa 'Seriously Worried' About Outlook

OW0111043393 Tokyo KYODO in English 0357 GMT 1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—A prominent business leader on Monday [1 November] expressed grave concern about the outlook for Japan's economic activity, pointing to growing signs of weakness. "The state of the economy is very tough. I'm seriously worried that the employment situation will get worse next year," said Gaiishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren).

Hiraiwa made the gloomy assessment of the economy in a meeting of Keidanren leaders with Manae Kubota, director general of the Economic Planning Agency, and agency Vice Minister Tsutomu Tanaka.

Citing a Keidanren survey of business executives in which 70 percent of them forecast that economic recovery will be delayed until the April-June quarter of 1994, Hiraiwa reiterated his calls for income tax cuts, relaxation of government regulations and stable exchange rates.

Kubota assured the Keidanren leaders that the government will steadily implement a series of economic measures announced so far to put the economy back on its feet.

Tanaka, meanwhile, said the agency is watching employment and foreign exchange rates with the utmost concern.

'No Immediate Plan' To Infuse Funds in Market

OW0111093593 Tokyo KYODO in English 0901 GMT 1 Nov 93

[Text] Tokyo, Nov. 1 KYODO—The Finance Ministry has no immediate plan to infuse public funds into the stock market as a means of helping it out of the long slump, Vice Finance Minister Jiro Saito said Monday [1 November]. Stock prices should be basically determined by supply and demand relations, Saito told a regular press conference.

The Finance Ministry will keep a close watch on the course of the market until uncertain factors, such as poor corporate earnings, become clearer, he said.

The 225-issue Nikkei stock average has remained in the doldrums, despite the recent public listing of much-awaited East Japan Railway Co. stock.

Saito said his ministry is noncommittal about the recent proposal by a noted U.S. economist for setting a dollar target zone against the yen.

Fred Bergsten, director of the Institute for International Economics, a Washington-based think tank, proposed late last week that the Group of Seven (G-7) major industrial countries set a target zone for the dollar of 100 to 110 yen.

Business Group Urges 10-Trillion-Yen Tax Cut

*OW011104293 Tokyo KYODO in English 0810 GMT
1 Nov 93*

[Text] Nagoya, Nov. 1 KYODO—The government should carry out 10 trillion yen worth of tax cuts to prop up the domestic economy, the Chubu Economic Federation urged in a report Monday [1 November].

The Federation of Business Associations in the central Japan region compiled the report to assess the economy in fiscal 1994, starting from next April, and to reflect its suggestions on the government's economic policy, federation officials said. It urged in the report that the government should overcome the current recession in the next fiscal year and needs to maintain economic growth at an inflation adjusted rate of 2 percent or more.

For that purpose, the federation called for a three-point program of special measures—10 trillion yen worth of cuts in income and residential taxes, a national budget designed to prop up the economy, and maintaining an "adequate" level of the yen in foreign exchange markets.

It projected the economic growth in fiscal 1993 ending next March 31 will be a mere 0.3 percent after inflation adjustment, far below the 3.3 percent economic forecast by the government.

Personal consumption will be slow to recover in fiscal 1994, it said, and the real economic growth in the year would remain slow-paced at 1.1 percent unless the government takes additional measures such as tax cuts.

Trade Union Research Institute Urges Tax Cuts

*OW011104193 Tokyo KYODO in English 0927 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Cutting income taxes by about 5 trillion yen and raising workers' wages by an average of about 5 percent will bring Japan's economic growth next fiscal year to 2 percent or more, a labor union's think tank said in a report Monday [1 November].

The Research Institute for Advancement of Living Standards, the research arm of the Japanese Trade Union Confederation (RENGO), compiled the report for the confederation which is preparing for an annual spring labor offensive for pay hikes, think tank officials said.

The report said the nation's domestic economy is on the verge of a double-dip recession, with corporate output remaining weak. Consumer spending cannot be expected to recover if consumers' confidence is further undermined by a worsening employment situation, it warned.

The report showed two scenarios for economic recovery, based on a combination of tax cuts and wage hikes.

The desirable scenario is, according to the report, cutting income taxes by 5 trillion yen and raising wages by about 5 percent. In this scenario, the economy will show an inflation-adjusted 2.1 percent growth in fiscal 1994, beginning next April, from an expected zero growth in fiscal 1993, it said.

In another scenario, a combination of no cuts in income taxes and a 2 percent wage hike will result in a real economic growth of a mere 0.1 percent and push up the unemployment rate to a record 3.4 percent, it said.

Apr-Sep Orders to Large Contractors Drop

*OW011102893 Tokyo KYODO in English 0759 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Orders received at Japan's 57 major construction companies in the April-September period dropped by 22.3 percent from a year earlier to 8,960.9 billion yen—about two-thirds of the peak registered in the first half of fiscal 1990, an industry organization said Monday [1 November]. The Japan Federation of Construction Contractors Inc. said orders particularly declined from the public sector, as some of the leading contractors were suspended from bidding due to involvement in bribery scandals.

Public works orders during the period declined 19 percent from a year earlier, the biggest fall registered in a half-year period since the federation started the survey in 1976, it said.

Orders from the private sector during the period also fell a sharp 25.9 percent. The trend will continue for a while as construction demand in general is still falling, it said.

Experiments Succeed in Optical Signal Technology

*OW0111135493 Tokyo KYODO in English 1330 GMT
1 Nov 93*

[Text] Tokyo, Nov. 1 KYODO—Nippon Telegraph and Telephone Corp. (NTT) has succeeded in experiments to send 100 gigabits of data per second over a distance of 50 kilometers, using its new optical signal processing technologies. NTT said Monday [1 November]. The volume

is equivalent to what can be sent by 1.3 million telephone lines and is more than 40 times the current maximum volume of data that can be transmitted in a second—2.4 gigabits (2.4 billion bits). It is equivalent to the amount of data that can be sent by 640 high-definition television transmitting channels.

NTT officials said the corporation hopes to put the 100 gigabit data transmitting device to practical use by about the year 2000.

A senior NTT researcher said the success has been made possible chiefly by four new optical signal processing technologies. One of these was a new light source—a mode-locked erbium-doped optical fiber ring laser—used in experiments.

New multiplexor technology, which combines a number of inputs into an output, and demultiplexor technology, which separates the original multiplexed signals from one channel, were also used, as was new retiming technology.

In the newly developed process, optical signals are multiplexed, multiplexed signals are sent and such signals are demultiplexed. Electric signal processing technology is not used.

North Korea

Academic Cited on Easing U.S.-DPRK Relations

SK3010151693 Pyongyang KCNA in English 1505
GMT 30 Oct 93

[“Three Steps To Ease Strain in U.S.-DPRK Relations”—KCNA headline]

[Text] Pyongyang, October 30 (KCNA)—Honorary professor of the University of Hawaii, United States, Glenn Paige, contributed an article proposing three steps to ease the strain in the relations between the U.S. and the DPRK to the September-October issue of the magazine FELLOW.

He in the article said the solution for the removal of the temporary nuclear confrontation on the Korean peninsula was not strong arm, threat, isolation and attack in the least, adding that these things had not brought a complete peace to Korea, but actually produced danger.

Contending that three steps were necessary for resolving the question, he said they were to have correct understanding of the conditions of the opposite side, recognize the reality, and display leading capacity of the president.

He said the Americans did not know well the facts that a great many people of North Korea had been killed in U.S. bombing raids during the Korean war and North Korea had taken dramatic initiatives from long ago to remove the tension and establish peaceful relations with the United States.

He held that the United States should admit that it was an aggressor because it topped the world's list in developing and using nuclear weapons and the presence of the U.S. troops on the Korean peninsula was maintained by force.

Urging the dispatch of a special envoy for top-level U.S.-DPRK talks, he said it was essential to reach there an important agreement on a ban on the production, storage and deployment of nuclear weapons and strike by them on the Korean peninsula.

He said that President Clinton and Congress must withdraw the 40-year-long prohibition of communication, adding that this ban by the U.S. is a violation of the world declaration on human rights.

Media Cited on Possible Rapprochement With U.S.

SK3010045093 Pyongyang KCNA in English 0432
GMT 30 Oct 93

[“DPRK-USA Working-Level Talks Held”—KCNA headline]

[Text] Pyongyang, October 30 (KCNA)—Several rounds of working-level talks between the DPRK and the United States were recently held in New York.

Mass media of foreign countries and South Korea have reported about the talks.

Voice of America Oct. 27 quoted THE NEW YORK TIMES as saying that the United States and the DPRK held talks for about a month.

The radio said that although the United States and the DPRK were reported to have discussed the possibility of the solution of problems, Washington may officially recognise North Korea in the end.

REUTER from Bangkok Oct. 26 reported about working-level talks between the DPRK and the U.S. in New York.

The news agency said the “idea of solution in a package deal” is under discussion between the DPRK and the U.S. and that the “idea of solving the nuclear problem in a package deal” includes the United States’ recognition of North Korea.

THE PAKISTAN TIMES and THE MUSLIM Oct. 25 reported about the working-level talks between the DPRK and the U.S. in New York, saying that it seems the U.S. and North Korea may solve the nuclear dispute, the U.S. may recognise North Korea diplomatically and the third round of DPRK-U.S. talks is expected to be held in November or early December.

THE HERALD TRIBUNE Oct. 25 quoted “foreign ministry” officials of South Korea as saying that the third round of DPRK-U.S. talks is expected to be held in November or early December.

Radio no. 1 of South Korea Oct. 21 quoted a diplomatic source as saying private contact between the DPRK and the U.S. was underway in New York. South Korea's KYONGHYANG ILBO Oct. 24 said that although the DPRK and the U.S. officially make strongly-worded statements without hesitation, they are known to have agreed in principle to open the third round of high-level talks before long, making the future developments noteworthy.

South Accused of Obstructing DPRK-U.S. Talks

SK2910043093 Pyongyang Korean Central
Broadcasting Network in Korean 0830 GMT 28 Oct 93

[Unattributed talk: "Mean, Disgraceful Behavior of Nation-Selling Flunkeyists"]

[Text] The puppets who came to power under the sign-board of civilian politics are a group of nation-selling flunkeyists who regard fellow countrymen as the enemy, and flatter and follow outside forces. Thus, they are repeatedly perpetrating antinational activities. The disgraceful behavior of the South Korean puppets as nation-selling flunkeyists was fully disclosed in the course of talks held between us and the United States.

As was already reported, government-level talks were held last June between the DPRK and the United States and resulted in the adoption of a joint statement stipulating mutual respect and nonaggression. This was in the interests of the whole state, not just that of either the North or South side. Therefore, this is beneficial not only for the denuclearization of the Korean peninsula but also for peace and security in Asia and the world.

If the South Korean authorities truly want to do good for the nation and wish the peaceful reunification of the country, they should deservedly support and welcome the DPRK-U.S. negotiations and the DPRK-U.S. joint statement that correspond not only to national interests but also to the cause of global peace. Henceforth, they should also carry out acts helpful to the successful progress in DPRK-U.S. talks.

Nevertheless, the South Korean puppets, restless and embarrassed by the progress in DPRK-U.S. talks, are behaving disgracefully by openly attempting to ingratiate themselves with the masters.

Soon after the announcement of the DPRK-U.S. joint statement, the South Korean ruler sent a message to the U.S. President requesting the United States not make further concessions to North Korea during the forthcoming DPRK-U.S. talks. Moreover, puppet Defense Minister Kwon Yong-hae, went to the United States to hold talks with the U.S. defense secretary and talked about nonexistent nuclear threat by the North. He then begged the United States to reconfirm its defense commitment to South Korea.

Meanwhile, the South Korean ruler started a racket of asking for so-called cooperation from people of foreign

countries. He ordered the foreign minister to visit international organizations in order to beg for a so-called international cooperative system and so forth. In addition, he hurriedly sent senior presidential secretary for security affairs in Chongwadac [presidential office] to the United States to discuss joint countermeasures.

This is an act that can be carried out only by disgraceful nation-selling flunkeyists and colonial stooges who have not even a slightest degree of national conscience and who have completely lost a sense of independence. All fellow countrymen cannot repress indignation against the South Korean rulers who, not satisfied with their nation-selling acts, are even repeating such acts abroad.

The acts of the South Korean puppets as nation-selling flunkeyists were very apparent during the visit of the U.S. President to South Korea. Busy activities, including talks between the U.S. President and Kim Yong-sam, were scheduled and carried out during this period. However, the entire course and result of the talks showed that U.S.-South Korean relations are thoroughly vertical relations between those who dominate and those being dominated. In other words, one is in the position of instructing, appeasing, controlling, and instigating, while the other adheres to the position of relying, faithfully serving, begging, and flattering.

On the pretext of the nonexistent nuclear issue of the North, the South Korean ruler raved about appropriate countermeasures, South Korea-U.S. cooperative system, sanctions, and so forth. He then committed acts of begging the United States. Today the South Korean puppets are severely restless and fretful about progress made in the past DPRK-U.S. talks. They are recklessly running amok to disturb the forthcoming DPRK-U.S. talks.

Besides, the South Korean authorities perpetrated vicious acts during the recent 37th General Assembly of the International Atomic Energy Agency in an attempt to obstruct progress in DPRK-U.S. talks. Such maneuvers by the South Korean puppets are antinational acts designed to block the most effective and prompt way for solution of the nuclear problem on the Korean peninsula and to pursue a hostile line against fellow countrymen by relying on outside forces.

The question of denuclearization of the Korean peninsula is a vital issue related to the destiny of our country. This question must be resolved in the interest and according to the desire of the nation from the standpoint of national independence. We put forward the 10-point programs of great unity for the whole country and are making sincere efforts to realize them. We also proposed mutual visits of special envoys of the two sides and repeatedly asked the South side to respond to this. All this proceeded from such realistic demands.

National independence is the patriotic way and reliance on outside forces is the way to national ruin. The attempt

of the South Korean authorities to slander and hurt fellow countrymen in collaboration with outside forces is an act of self-destruction.

If they continue driving North-South relations towards confrontation while advancing along the road of hostility against its own people and follow outside forces as they are doing today, the civilian government will endanger itself and will result in driving the nation into irretrievable disaster.

'200 Cases' of U.S. 'Aerial Espionage' in Oct

*SK3010054693 Pyongyang KCNA in English 0425
GMT 30 Oct 93*

[Text] Pyongyang, October 30 (KCNA)—The U.S. imperialists have carried out more than 200 cases of aerial espionage on the northern half of Korea in October through an intensive mobilization of different types of reconnaissance planes.

This proves that the U.S. imperialists are still watching for a chance to swallow up the Korean peninsula.

A U-2 conducted reconnaissance in the sky above the area of the Military Demarcation Line on October 28 and two high-altitude strategic reconnaissance planes carried out aerial photographing and electronic reconnaissance on October 22 and 26 on the northern half of Korea.

On the 24th and 28th, ten odd RV-1 and RC-12 Army tactical reconnaissance planes and RF-4C Air Force reconnaissance planes committed aerial espionage on the inland, coastal and frontline areas of the northern half of Korea.

Earlier, an EH-60 electronic warfare helicopter and an RC-135 strategic reconnaissance plane staged aerial espionage and electronic reconnaissance on the northern half of Korea, flying the sky above the area along the Military Demarcation Line and the sky above the areas of Tokjok island, chunchon and yangyang of South Korea.

Ministry Demands Japan Stop Waste Dumping

*SK3010103893 Pyongyang KCNA in English 1021
GMT 30 Oct 93*

[Text] Pyongyang, October 30 (KCNA)—The spokesman of the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today on the disclosure of Japan's dumping of nuclear waste into the East Sea of Korea.

He said:

To the public consternation, it has reportedly been brought to light that Japan has dumped nuclear waste into the East Sea of Korea every year.

The nuclear waste dumped by Japan is said to be ten times the controversial radioactive material discharged by Russia.

Only recently, Japan had made much ado about Russia's dumping of nuclear waste into the East Sea of Korea. But, the shocking fact that Japan has dumped many times more radioactive material in amount and concentration eloquently shows once again what extent Japan's nuclear armament has gone to and how crafty and brazen she is.

The acts of Japan and Russia, though different in degrees, are all a grave crime against the desire and demand of the world people including the Korean people in that they wreck the environment of the world and turn the East Sea of Korea into a nuclear dump.

Japan, hell-bent on nuclear armament despite the concern of the Asian people and the world public circles, must give up its nuclear armament and immediately stop the nuclear waste dumping into the sea, instead of imprudently talking about the fictitious "nuclear problem" of the DPRK.

Radio Commentary Denounces Dumping

*SK3110053593 Pyongyang Korean Central
Broadcasting Network in Korean 1150 GMT 30 Oct 93*

[Commentary by station commentator Chong Pong-kil: "Japan's Act of Dumping Nuclear Waste Must Be Checked"]

[Text] According to a report from Seoul, some 100 members of six civic groups, including the Federation of Environmental Movement, held protests in front of the Japanese Embassy in Seoul on 27 October criticizing Japan's criminal dumping of nuclear waste into the East Sea of Korea. In a letter of protest to the Japanese Government, they charged that Japan had dumped 1,000 times as much nuclear waste into the East Sea of Korea as Russia, turning the sea into a sea of death.

They demanded that Japan make an open apology to our nation, totally open to the public the content of the nuclear waste dumping, and immediately stop dumping the waste in the East Sea of Korea. This was a part of the just struggle to oppose Japan's nuclear armament and its attempt to become a nuclear superpower since they endanger our nation in actuality.

As it is clear to everyone, discarding radioactivity into the sea not only destroys marine resources but also spoils neighboring countries' ecological environment and their peoples' health. Nevertheless, Japan dumped nuclear waste into the East Sea of Korea without feeling the slightest guilt. This is a very irresponsible act of disregarding other countries' interests, especially our country, giving rise to indignation among the Korean people.

Furthermore, what cannot be disregarded is that Japan's dumping of 1,000 times more radioactive waste than Russia's clearly proves that Japan persists in its nuclear armament efforts and wants to become a nuclear superpower in realization of past desires. This endangers our nation in actuality.

Japan did not recently begin its nuclear armament efforts, but began a long time ago. Japan's reactionary classes are raising a clamor as if the defeat by former Japan was caused by its lack of strength. They insist that Japan should have strong military power and that the most efficient way is to step up nuclear armament if not to repeat the past lesson. It means that Japan should become a nuclear superpower, and that is the only way to realize the past dream of becoming the Great East Asian Co-prosperity Sphere as a big power of the world.

Out of such an aggressive desire, the Japan's reactionary ruling classes began nuclear development from the mid-1950's, and prepared nuclear weapon systems that can launch nuclear missiles during the period of the third nuclear defense plan, from 1967-1971. Japan is currently accumulating massive amounts of plutonium. The amount of plutonium Japan is said to possess as of last year is 26 tonnes which can produce more than 3,000 nuclear bombs. Japan is attempting to accumulate 3,000 tonnes over the next 30 years. It goes without saying that such an amount is necessary for Japan to become a nuclear superpower.

Japan's policy on nuclear armament has created massive amounts of nuclear waste. Japan is attempting to bring catastrophe to our nation by carelessly dumping nuclear waste into the East Sea of Korea.

We cannot but call the issue into account that Japan is talking about our fictitious nuclear suspicion. It is like a thief turning on the victim with a club that the one which is kicking off nuclear armament, disposing of nuclear waste into the East Sea, and posing a nuclear threat to us make ado about cooperation, countermeasures, and so forth under the pretext of our fictitious nuclear issue. Japan's reactionary classes are finding fault with us—who does not have nuclear weapons or the will nor the strength to manufacture them—to justify their acts as their nuclear armament plot is being brought to light and being denounced.

Japan's reactionary classes do not try to hide this attempt. Former Japanese Prime Minister Miyazawa, in the recently held summit with the U.S. President, said that Japan cannot totally preclude the possibility of possessing nuclear weapons since Japan is confronting our nuclear threat. This is nothing but an official declaration that Japan will possess nuclear weapons.

Aforementioned facts prove that Japan is viciously stepping up nuclear armament, and it threatens our nation in actuality.

That is why the South Korean people strongly protested Japan's nuclear waste dumping into the East Sea of our country, and demanded that Japan make an open apology to our nation and totally open to the public the content of the nuclear waste.

The Japanese authorities should immediately stop the nuclear waste dumping into the sea according to the

Korean people's demand, be held totally responsible for this, and give up its nuclear armament.

The Japanese authorities should clearly know that becoming a nuclear superpower after being the sole nuclear victim is the road to destruction.

KCNA Criticizes Japan

SK2910151993 Pyongyang KCNA in English 1506
GMT 29 Oct 93

[“Japan's Crime in Dumping Nuclear Waste Into Sea”—KCNA headline]

[Text] Pyongyang, October 29 (KCNA)—It was revealed recently that Japan had dumped incognito nuclear waste from atomic power plants into the East Sea of Korea, according to a report.

Such an act of Japan is a violation of the international ban on the discharge of radioactive waste into the sea and an anti-human crime which spoils ecological environment of the sea and brings disaster to the people.

The fact that Japan has dumped radioactive waste, ten times that discharged by Russia, into the East Sea of Korea every year has given rise to deep apprehensions and indignation among the Korean people.

Quite perturbed by the disclosure of its nuclear waste dumping, Japan is now claiming that the nuclear waste is low in radioactive degree. This is a despicable excuse for evading responsibility for the crime.

Japan can by no means shirk the grave responsibility for its grave infringement upon the interests of other countries in the nuclear waste dumping. Their crime can never be pardoned.

Japan which has unhesitatingly committed criminal acts contrary to international morality and conscience is charging the Democratic People's Republic of Korea with the “noncompliance with the nuclear safeguards agreement.” This is really the height of folly.

It is malicious of Japan to give instructions to others, while failing to mind its own business.

The Japanese authorities must clearly understand the gravity of their crime, promptly stop the illegal act of discharging nuclear waste at random and honestly implement the international accords.

Daily Demands Disbandment of Seoul's SPB

SK3110083193 Pyongyang KCNA in English 0816
GMT 31 Oct 93

[Text] Pyongyang, October 31 (KCNA)—NODONG SINMUN today denounces the subversive and intelligence acts and fascist repression against the pro-reunification democratic forces of South Korea by the “Security Planning Board” (SPB) and demands an immediate disbandment of this plot-breeding centre.

According to the overseas Korean newspaper MINJOK SIBO, the "SPB" planted an agent in the coalition for democracy and reunification and has obtained through him information about the secrets of the organisation, the main idea of resolutions of all meetings, the National Alliance for the Country's Reunification, the internal policy related to the pan-national rally, etc.

The news analyst says:

This intelligence body is still used by the South Korean authorities as an almighty means to suppress the pro-reunification democratic forces and block the reunification of the country.

The "SPB" is still notorious as a plot-breeding machine.

It was the "SPB" that made abortive the Pyongyang-Seoul student soccer games and the North-South student scientific symposium on joint action against the revival and rearmament of Japanese militarism, which were put on the order of the day recently.

The "SPB" is freely interfering in North-South dialogue, hindering its progress and acting high-handedly.

It is a mockery of the pro-reunification democratic forces for the South Korean rulers to advertise "civilian politics" and "reforms" while leaving intact the "SPB," the headquarters of fascist repression and plot-breeding.

The "SPB" and the civilian politics are incompatible.

If the South Korean rulers are to enforce civilian politics, they must immediately disband the "SPB," the den of fascist plot-breeding and vicious anti-reunification group.

Daily Urges Return of Kim In-so, Ham Se-hwan

SK3010105093 Pyongyang KCNA in English 1006
GMT 30 Oct 93

[**"Kim In-so and Ham Se-hwan Must Be Repatriated at Once"—KCNA headline**]

[Text] Pyongyang, October 30 (KCNA)—To send back to the North at an early date Kim In-so and Ham Se-hwan who served a long term in prison in South Korea for their refusal to be converted fully accords with the demand of the international law on the POWs and it is only too natural in the humanitarian and compatriotic point of view, says MINJU CHOSON today.

Recalling that the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea sent a letter to the South Korean Red Cross on October 12 urging it to take steps for their repatriation to the northern half of Korea, the analyst notes:

The old men were taken prisoners by the South side during the war. They should have been sent back to the North in the exchange of POWs shortly after the war in accordance with the regulations of the Geneva Accord

on POWs adopted on August 12, 1948 and articles of the Korean Armistice Agreement.

Their repatriation is the ardent desire of the old sick men who are barely prolonging their lives in South Korea where they have no kinsmen and of their family members and relatives who are anxiously awaiting their early return. It is also the unanimous demand of the fellow countrymen in the North and the South who want to see them live with their blood relations in their late years, worried about their miserable lot.

The South Korean chief executive in his recent "speech" touched on the problem of the "families living separated in the North and the South."

If he truly wants to lessen the sufferings of those families, he must alleviate first of all the misfortune and sufferings of Kim In-so and Ham Se-hwan and, to this end, make a bold decision to give top priority to the solution of the issue of their repatriation.

If he talks about the "sufferings of the separated families" without doing so, it cannot but be an act of fooling the two old men and their families who have been compelled to live separated and deceiving the fellow countrymen.

Kim Yong-sam's Reforms Called 'Failure'

SK0111080793 Pyongyang Korean Central
Broadcasting Network in Korean 0837 GMT 31 Oct 93

[Unattributed Talk: "the Civilian Regime's Reforms That Are on the Road to Failure"]

[Text] The so-called reforms which had been widely publicized by the civilian regime have failed in South Korea, and thus have brought disaster upon its people. The real-name financial transaction system, enforced by the South Korean authorities who publicized the system as true reform among reforms, has plunged South Korea into financial chaos. The system aggravated companies' financial difficulties and especially drove small- and medium-sized businesses to bankruptcy.

According to South Korean publications, the number of small- and medium-sized enterprises that have gone bankrupt since the enforcement of the system has soared to 155. The South Korean rulers say this and that about financial support for small- and medium-sized enterprises. However, they did not even bother to lift their fingers to save businesses while they continued to go bankrupt. While babbling about supplementary measures of the real-name system, they crippled the real-name financial transaction system itself by not investigating the source of money of those who accumulated their wealth illegally and not levying taxes on them.

This enables us to get a glimpse of the failure of the South Korean ruler's so-called reforms, and his bubbled and dressed-up politics.

The new agricultural policy which had been advertised by the civilian regime also failed. The rice crop this year is the worst that they have had for the last 23 years. The authorities announced that the decrement of rice crop this year is 3.7 million rice bags. However, it is said that the actual decrement is 7.9 million rice bags which is twice as much as the official announcement.

The South Korean authorities rave as if this year's poor harvest resulted from the abnormal cool weather. But this is nothing but a foolish attempt to evade its responsibility of having poor harvest in its first year as the civilian regime.

The people blame new agricultural policy for this year's poor harvest. They argue that they will starve to death due to the anti-popular agricultural policy. These are a few examples of serious consequences that the civilian regime's so-called reform policy has brought about. The voices exposing the deceitfulness of reforms, which have been advertised by the South Korean ruler, are loudly resounding from the South Korean people.

South Korea's CHUNGANG UNIVERSITY GAZETTE commented that nothing has been changed in South Korea as the ruler only tries to save his face under the cloak of reforms. It ridiculed reform policy by writing: "The essence does not change no matter how its outward form is changed. It is as if the outward form is dressed up lavishly. New Korea, advertised by the Kim Yong-sam's government, has turned into rotten Korea."

These facts show that the reform advertised by the civilian regime is not as good as it looks. As long as such treacherous ruling continues, the South Korean people will not be able to escape from a calamity. The traitors will not be able to escape grave judgment of the history and the people.

Criticism of South's Military Spending Noted

SK2910151293 Pyongyang KCNA in English 1500
GMT 29 Oct 93

[Text] Pyongyang, October 29 (KCNA)—Kwon Chung-hui, chairman of the society for national spirit in South Korea, in an article contributed to HANGYORE SINMUN criticized the authorities' allocation of more than 10,000 billion won, or 9.6 percent upon on this year's figure, for "defence spending" in the "budget" for next year as an act against national reconciliation and peaceful reunification.

"The logic of the Cold War era to contain the opposite side with arms race and military strength must be liquidated," he said, demanding that the present "government" stop antagonizing fellow countrymen even by bearing the expenses for the U.S. military occupation, if it truly wanted peaceful reunification.

KCNA Reports Workers' Meeting Held in Seoul

SK0111053693 Pyongyang KCNA in English 0433
GMT 1 Nov 93

[Text] Pyongyang, November 1 (KCNA)—Workers under the "National Council of Representatives of Trade Unions", students and citizens, more than 25,000 in all, held a "Workers' Meeting-93" in Seoul Sunday, according to a radio report from Seoul.

A resolution which was adopted at the meeting demanded the revision of the "labour laws" and reinstatement of the dismissed workers.

The workers urged "guarantee for the freedom of association, dissolution of business groups and realisation of economic democracy".

After the meeting, the workers marched the street from the Hyochang playground to the "National Assembly Hall", shouting in high spirit the slogans "revision of labour laws" and "reinstatement of dismissed workers".

On the night of October 30, more than 10,000 workers and students who held a festive eve of the "Workers' Meeting-93" at the open-air theatre of Korea University went out of the gate of the university and staged a street demonstration to the Hyochang playground, the place of the workers' meeting, through the east gate, and over 10,000 workers from all parts of South Korea marched toward the meeting place.

Assembly Chairman Meets Chinese Ambassador

SK0111105193 Pyongyang KCNA in English 1019
GMT 1 Nov 93

[Text] Pyongyang, November 10 (KCNA)—Chairman of the Supreme People's Assembly Yang Hyong-sop met and had a conversation with Chinese Ambassador to Korea Qiao Zonghuai who paid a courtesy call on him at the Mansudae Assembly Hall Monday.

Envoy Marks PRC Participation in Korea Conflict

SK3110142493 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 30 Oct 93

[Text] On 25 October our country's consul general in Shenyang, China arranged a banquet to mark the 43d anniversary of participation of the Chinese People's Volunteers in the Korean conflict. Chairman of the Liaoning Provincial People's Congress Standing Committee; deputy chief of general staff of the Shenyang military district of the Chinese People's Liberation Army; chairman of the Liaoning Provincial PRC-DPRK Friendship Society, and other officials concerned were invited to the banquet. At the banquet, our country's consul general and Yu Xiling, vice chairman of the Liaoning Provincial People's Congress Standing Committee, made speeches.

The participants at the banquet toasted to the good health and long life of the great leader Comrade Kim

Il-song, to the good health and long life of the dear leader Comrade Kim Chong-il, and to cadre members in the Chinese leadership, including esteemed Comrade Jiang Zemin.

Delegation Departs for Nonaligned Meeting

SK011105293 Pyongyang KCNA in English 1021
GMT 1 Nov 93

[Text] Pyongyang, November 1 (KCNA)—A DPRK delegation led by Minister of Labour Administration Yi Chae-yun left here today to attend a ministerial meeting of nonaligned countries on population to be held in Indonesia.

A delegation of the XINHUA News Agency of China led by First Vice General Director Xia Zanzhong, a friendship visiting group of the Chinese People's Liberation Army led by Lt. General Li Wenqing, Ugandan Minister of [words indistinct] and his entourage and a parliamentary delegation of Zambia led by C.K. Chibamba, member of the parliament and vice-minister of public works and supply, arrived here today.

Kim Il-song Greets Algerian Counterpart

SK0111050193 Pyongyang KCNA in English 0420
GMT 1 Nov 93

[Text] President Kim Il-song of the Democratic People's Republic of Korea Sunday sent a message of greetings to Ali Kafi, president of the high state committee of the Algerian Democratic and People's Republic, on the occasion of the 39th anniversary of the start of revolution in Algeria.

President Kim Il-song in the message expressed the belief that the friendly and cooperative relations between the two countries would grow stronger and develop and wished the president and the Algerian people greater success in their work for the stability and prosperity of the country.

Kim Il-song Greets Antiguan Prime Minister

SK0111050693 Pyongyang KCNA in English 0422
GMT 1 Nov 93

[Text] Pyongyang, November 1 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on October 28 sent a message of greetings to Vere Cornwall Bird, prime minister of Antigua and Barbuda, on the occasion of the 12th anniversary of the independence of Antigua and Barbuda.

President Kim Il-song in the message expressed the belief that the friendly relations between the two countries would develop favorably and wished the prime minister and the people of Antigua and Barbuda success in their work.

Cuban Jurist Arrives in Pyongyang 29 Oct

SK3010061593 Pyongyang KCNA in English 0435
GMT 30 Oct 93

[Text] Pyongyang, October 30 (KCNA)—A Cuban jurist, Ms. Candelaria Rodriguez, arrived here Friday.

She was met at the airport by Chon Yon-ok, vice-chairwoman of the Committee for Cultural Relations with Foreign Countries, and an official of the Cuban embassy here.

WPK Secretary Meets With Cuban Official

SK3010062593 Pyongyang KCNA in English 0437
GMT 30 Oct 93

[Text] Pyongyang, October 30 (KCNA)—Kim Chong-in, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk with Joaquin Bernal Camero, secretary of the centre of Cuban workers, at the Mansudae Assembly hall Friday.

Present on the occasion were Kim Kuk-sam, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, and Cuban Ambassador to Korea Juan Jose Leon Vega.

Seminars on Leader's Work Held in Zimbabwe

SK3110082893 Pyongyang KCNA in English 0805
GMT 31 Oct 93

[Text] Pyongyang, October 31 (KCNA)—A seminar on "10-point programme of the great unity of the whole nation for the reunification of the country", a work of the great leader President Kim Il-song, was held by the Zimbabwean Youth Centre for the Study of Kimilsongism on the occasion of the month of support to the proposal for founding the Democratic Confederal Republic of Koryo.

The reporter and speakers said that the 10-point programme of the great unity of the whole nation is a great charter which indicates the way of putting an end to the division of Korea, realizing the peace and reunification of the country with the great unity of the whole nation and achieving the prosperity of the nation.

A seminar on this work was also held by the Chuche Idea Study Society of Aligarh, India.

The speakers said that the great President Kim Il-song put forward "10-point programme of the great unity of the whole nation for the reunification of the country", which has opened a bright prospect for realizing the reunification of Korea in the 1990's.

They stressed that the proposal for founding the Democratic Confederal Republic of Koryo is a great programme for reunification which indicates the way of achieving the reunification of Korea in a peaceful way at the earliest date.

Danish Party Leader Supports Reunification

SK3110082993 Pyongyang KCNA in English 0808
GMT 31 Oct 93

[Text] Pyongyang, October 31 (KCNA)—Klaus Riis, chairman of the Communist Party (Marxist-Leninist) of Denmark, expressed support to the Korean people's cause of national reunification on October 16.

He expressed full support and solidarity for the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation put forward by Comrade President Kim Il-song, saying that they indicate the most just and realistic way of reunifying the nation bisected by the imperialists.

WPK Greets Danish Communist Party Chairman

SK0111052693 Pyongyang KCNA in English 0424
GMT 1 Nov 93

[Text] Pyongyang, November 1 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on October 27 sent a message of greetings to Klaus Riis upon his re-election as chairman of the Central Committee of the Danish Communist Party (Marxist-Leninist).

The message expressed the conviction that the friendly and cooperative relations between the two parties would continue to develop favorably in the future, too, and wished the chairman great success in his responsible work for the strengthening and development of the party and for peace and socialism.

WPK Sends Message to Norwegian Communist Party

SK2910151593 Pyongyang KCNA in English 1502
GMT 29 Oct 93

[Text] Pyongyang, October 29 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a congratulatory message to the 21st congress of the Norwegian Communist Party [NCP].

The message expressed solidarity with the cause of justice of the NCP which is striving to strengthen and develop itself, while maintaining the revolutionary principle of the working class.

It also expressed the belief that the friendly and cooperative relations between the two parties would develop more favourably.

Kim Chong-il's Works Disseminated Abroad

SK3010104493 Pyongyang KCNA in English 1017
GMT 30 Oct 93

[Text] Pyongyang, October 30 (KCNA)—"On the Fundamentals of Revolutionary Party Building", a work of the dear leader Comrade Kim Chong-il, was carried by

the Nepalese paper DRISTI and the Syrian paper TISHRIN. The Zairese paper ETINCELLE printed an article explaining the work.

Explaining the need to strengthen the unity and cohesion of the party and tasks and ways for it, which are indicated in the work, ETINCELLE said:

"If the unity and cohesion of the party is to be most durable, it should be unity and cohesion of the whole party around the leader in ideology and purpose and in morality and sense of obligation. To this end, firstly, the work of strengthening the unity and cohesion of the party must be intensified constantly, secondly, a struggle must be waged against all descriptions of alien ideological trends that are detrimental to it and, thirdly, the unity and cohesion of the party must be consolidated and developed through generations by keeping a tight hold on the work of strengthening it as the main task of party building and constantly developing it in depth.

"The Workers' Party of Korea has successfully carried out the work of achieving the unity and cohesion of the party."

An article explaining the work "Abuses of Socialism are Intolerable" was reported by the Tanzanian paper TANGANICA REO.

It noted that Comrade Kim Chong-il in his work exposed the aim and absurdity of the malicious anti-socialist propaganda of the imperialists and the renegades of socialism.

New Central Committee Economic Chief Appointed

SK3010113693 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 30 Oct 93

[Text] Decree issued by the DPRK Central People's Committee [CPC] appointing Comrade Yun Ki-pok as the chairman of the Economic Policy Commission of the DPRK CPC:

The DPRK CPC appoints Comrade Yun Ki-pok as the chairman of the Economic Policy Commission of the DPRK CPC.

[Signed] DPRK President Kim Il-song
[Issued] 29 October 1993, Pyongyang

Pak Song-chol at Meeting on University Founding

SK3010015193 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 26 Oct 93

[Excerpts] A report meeting to commemorate the 40th anniversary of the founding of the University of Construction and Building Materials was held at the Hall of People's Culture on the afternoon of 26 October. [passage omitted]

Present at the meeting were Comrade Pak Song-chol, member of the Political Bureau of the Workers' Party of

Korea [WPK] Central Committee and vice president of the DPRK; Comrade Yun Ki-pok, secretary of the WPK Central Committee; Comrade Chang Chol, vice premier of the Administration Council; functionaries concerned, including Kang Hyon-su, Choe Ki-ryong, Kim Ung-sam, Yi Chol-pong, and Cho Chol-chun; and faculty of the university.

The meeting began with the chorus of the song of General Kim Il-song and the song of the dear Comrade Kim Chong-il.

Comrade Pak Song-chol delivered a congratulatory message from the WPK Central Committee to the students of the University of the Construction and Building Materials. [passage omitted]

Daily Validates Local Budgetary System

SK3010105193 Pyongyang KCNA in English 1013
GMT 30 Oct 93

[Text] Pyongyang, October 30 (KCNA)—The policy of local budgetary system put forward by the great leader Comrade Kim Il-song 20 years ago is our-style socialist budgetary system of a new form which is managed on the responsibility of local units and in reliance upon their creativeness under the unified guidance of the state.

NODONG SINMUN says this in a by-lined article.

The validity of the policy of local budgetary system lies, first of all, in that it is our-style socialist budgetary system of a new form, the paper notes, and goes on:

The local budgetary system fully meets the demand of the chuche idea that the popular masses should be the master of everything and everything should serve them.

The local budgetary system allows local officials and working people to build up local life on their own responsibility under the centralistic, planned guidance of the state, so that they may have the consciousness of being the master of local life and give full play to their enthusiasm and creative ingenuity in building up local life.

The local budgetary system applies the collectivist principle to budgetary management so as to properly combine local interests with those of the state and make the local and central bodies work in unison.

The policy of local budgetary system is a just policy based on the realistic conditions for such a system created in our country.

The solid material and technical foundations of the local economy have been laid and a large number of competent local functionaries have grown up to enable all the local units to introduce the local budgetary system, with the result that it has paid off profusely.

All cities and counties have become able to make ends meet by themselves and render much profits to the state since the establishment of the local budgetary system.

The scale of local budgetary revenue and expenditure has increased several times compared with 1973, 20 years ago, and local contributions to the state amounts to billions of won every year.

With the establishment of the local budgetary system, balance between accumulation and consumption is better kept and the independence and solidity of the state budget has been strengthened still further.

After the establishment of the local budgetary system better conveniences are ensured for the people's living and the people's living has been promoted.

The local budgetary system makes local functionaries give full play to the revolutionary spirit of self-reliance.

Foreign Ministry Spokesman on Ulsa Treaty

SK0111064493 Pyongyang KCNA in English 0430
GMT 1 Nov 93

[Text] Pyongyang, November 1 (KCNA)—A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea Sunday answered questions put by a KCNA reporter in connection with the recent discovery of the personal letter dated June 22, 1906, of the Korean emperor declaring the "Ulsa five-point treaty" forged by the Japanese imperialists in 1905 illegal and invalid.

The personal letter of the Korean Emperor Kojong verifies the validity of our assertion at the DPRK-Japan talks that the "Ulsa five-point treaty" and other acts of the past were illegal and invalid from the very outset and brings into sharp focus the unjustness and shamelessness of the Japanese Government which has talked about the "legality" of the past treaties, the spokesman said, and continued:

The historical fact was made clear, but the Japanese Government, instead of honestly reflecting on its crimes [words indistinct] past and liquidating it, is trying to whitewash it. This reveals with added clarity that Japan has not yet given up its wild ambition for militarism.

It is all the more impudent that the Japanese Government is working round the clock to attain a permanent membership of the United Nations Security Council with a view to becoming a political power. Does Japan have face to hold a "position" in the international community, not properly liquidating its past?

The Japanese authorities should stop their reckless act and reflect on the crimes they committed against the Korean people and liquidate the past with sincerity before anything else.

The South Korean authorities should draw a due lesson from the flunkeyist treacherous act of their predecessors who signed a "treaty" with Japan, covering up the crimes committed by the Japanese imperialists in the past and take the stand of national independence before it is too late.

All the Korean people in the North and South should pool their efforts to rectify the history of the nation fooled by the Japanese imperialists and the traitors and wreak the deep-seated vengeance of the fellow countrymen upon the Japanese imperialists at all costs.

KCNA Reports Closure of 8th National Games

SK3110083093 Pyongyang KCNA in English 0811
GMT 31 Oct 93

[Text] Pyongyang, October 31 (KCNA)—The 8th national games which opened on Oct. 18 closed Saturday.

During the games, about 15,000 athletes competed in some 40 events, divided into the group of Pyongyang and local sports clubs and the group of amateurs.

The athletes gave a good account of themselves at the games by giving full play to the sports techniques they had acquired through everyday training in hearty response to the party's intention to enhance the techniques of all sports events of the nation onto the world's level in the shortest time possible.

113 athletes renewed national records in 63 categories of track and field, swimming, weight lifting and shooting, and ten athletes renovated Asian records in six categories of weight lifting and shooting.

The April 25 Sports Club placed first in the group of sports clubs and the athletes from Pyongyang in the group of amateurs.

Importance of 'Ideological Consciousness' Noted

SK2910122793 Pyongyang KCNA in English 1030
GMT 29 Oct 93

[“Independent Ideological Consciousness Is Basic Factor of Development of Socialist Society”—KCNA headline]

[Text] Pyongyang, October 29 (KCNA)—NODONG SINMUN today carries a by-lined article titled “Independent Ideological Consciousness Is Basic Factor Promoting Development of Socialist Society.”

The article notes that the dear leader Comrade Kim Chong-il, in his classical work “Abuses of Socialism Are Intolerable,” said the independent ideological consciousness is the basic factor giving impetus to the development of socialist society.

It quotes Comrade Kim Chong-il as saying:

“The ideological consciousness which powerfully promotes the social progress is independent ideological consciousness, and the ideological consciousness at the highest level of the development of people's independent consciousness is socialist ideology.”

The article continues:

The independent ideological consciousness is the understanding that one is responsible for his own destiny and the will to shape one's destiny by his efforts.

It is the basic factor giving impetus to the development of the socialist society because it enables the popular masses to dynamically advance for the victory of socialism with firm faith in it.

It brings the popular masses to the consciousness that the destiny of socialism is their own destiny, thus helping them fully discharge their responsibility and role befitting the master of the revolution and construction.

The Korean people have gained the unshakable faith from their experience that socialism is their life and blood and that their happiness and hope are unthinkable apart from socialism.

The independent ideological consciousness also makes it possible for the popular masses to victoriously promote the cause of socialism in the revolutionary spirit of self-reliance and hard struggle.

It makes them have the unshakable stand and attitude of solving difficult and complicated problems in the accomplishment of the socialist cause by relying on their own strength, wisdom and resources.

The imperialists are now intensifying economic blockade as well as ideological and cultural infiltration as never before to stifle socialism. If socialism is to be defended and a steady upsurge be effected in socialist construction under these circumstances, it is imperative to maintain the revolutionary banner of self-reliance and hard struggle.

The independent ideological consciousness also makes it possible to steadfastly adhere to the revolutionary principle in the accomplishment of the socialist cause.

It indicates that developing socialism in conformity with the independent demand and interests of the popular masses is the revolutionary principle that must be maintained in the accomplishment of the socialist cause.

The reason why socialism has collapsed and capitalism revived in some countries is that they gradually backed down from the revolutionary principle and gave it up, vacillating before the temporary difficulties and yielding to the imperialists' pressure.

The reality shows that in order to build socialism and steadfastly defend it in compliance with the independent demand of the popular masses and in their interest, it is necessary to have a strong independent spirit of not yielding to any pressure and threat.

Youth in Pyongyang Eat Fresh Fruit 'Every Day'

SK0111010293 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 31 Oct 93

[Text] Fresh fruits are being supplied every day to children of nurseries and kindergartens, and students of

people's schools and senior middle schools in the revolutionary capital, Pyongyang.

The great leader put forth the principle and the slogan: "Give the best things to the children" from the early days of the anti-Japanese armed struggle. He also unsparingly earmarked everything for the future generations. Therefore, in accordance with the great leader's great love and consideration, the children and students are provided with large amounts of fruit every day.

This is another clear expression of the great leader's lofty love to put forth the children as the kings of the country and to firmly foster them as the reserves who are entrusted with the task of carrying out the chuché revolutionary cause. It is also a proud picture that can only be seen in our country's socialist system led by the Workers Party.

The children and students who are drinking soy bean milk and eating fruit regularly every day, and their parents, who have received such news, are overflowing with infinite gratitude and a feeling of admiration for the respected and beloved leader's great consideration that cannot by any means be compared with the love of parents. They are all the more warmly feeling in their hearts how our country's socialist system—the great flower garden of love of the people—which views the popular masses as heaven, is precious and superior.

South Korea

Reportage on U.S. Contacts With North Korea

Japanese Daily Cites Les Aspin

SK3010111593 Seoul YONHAP in English 1106 GMT
30 Oct 93

[Text] Tokyo, Oct. 30 (YONHAP)—U.S. Defense Secretary Les Aspin denied any possibility of military action against North Korea. Japanese economic daily NIHON KEIZAI SHIMBUN reported on Saturday.

Aspin told the newspaper in a written interview that it is inappropriate to discuss military action in any form as a way to solve North Korea's nuclear problem.

Aspin, who is to visit Tokyo and Seoul next week, was quoted as saying that the United States is trying to solve North Korea's nuclear problem by diplomatic means.

Answering the question of North Korea's long-standing demand for an end to the annual South Korea-U.S. joint military exercise, 'Team Spirit,' he said, that the United States is discussing the issue with South Korea and other allies.

He said, however, "progress on items of interest to North Korea rests on the North's willingness to forthrightly address international concern about its nuclear program."

He said if Pyongyang allows nuclear inspections and positively answer to other demands by the West, it will clearly pave the way to broad diplomatic and economic dialogue between Pyongyang and Washington, suggesting that Washington was considering diplomatic normalization with Pyongyang.

U.S. Spokesman on North Talks

SK3010031493 Seoul YONHAP in English 0306 GMT
30 Oct 93

[Text] Washington, Oct. 29 (YONHAP)—The United States and North Korea have failed to reach any agreement at their unofficial contacts in New York as of Friday, the State Department said.

Department spokesman Mike McCurry said the two countries could not find any solution in their efforts to resolve their differences over the North Korean nuclear and other issues including the third round of high-level talks between Washington and Pyongyang.

Touching on reports that North Korea will reject inspection by the International Atomic Energy Agency (IAEA), McCurry said he did not know if it is true. But the United States was concerned that if North Korea did not accept nuclear inspection, it will break continuity of nuclear safeguards.

Diplomatic sources expect North Korea to change its attitude when the annual Security Consultative Meeting between South Korea and the United States is held in November. But the situation is not optimistic since North Korea is unpredictable, they added.

U.S. Expects 'Change' in Stance

SK3010030293 Seoul KBS-1 Radio Network in Korean
0200 GMT 30 Oct 93

[Text] North Korea once again refused to accept the international inspection of its nuclear facilities. U.S. officials, however, expect North Korea to change its position, said a U.S. official who insisted on anonymity. He said that there is high possibility that North Korea will change its position at the last moment since it uses the nuclear inspection issue as a negotiation card to obtain diplomatic approval from the United States.

Envoy to U.S. on Talks

SK3110085793 Seoul YONHAP in English 0847 GMT
31 Oct 93

[Text] Seoul, Oct. 31 (YONHAP)—North Korea and the United States are engaged in working-level contacts on nuclear issues but haven't agreed to any details about next round of high-level talks. South Korean Ambassador to Washington Han Sung-su said Sunday [31 October].

"For now, North Korea would have to accept ad hoc and routine inspection by the International Atomic Energy

Agency (IAEA) and make progress in inter-Korean dialogue," Han said in an airport interview.

The ambassador made a brief return Seoul to attend South Korea-U.S. annual Security Consultative Meeting (SCM) Nov. 3-4.

He confirmed that the two sides will discuss canceling next year's joint military exercise "Team Spirit" but decline to comment further, saying it is not yet the proper time to reveal South Korea's position.

Papers Carry Editorials on Contacts

SK3010142493

[Editorial Report] The following is a compilation of editorials from ROK vernacular newspapers on recent U.S.-North Korean contacts and discussion of a package deal to resolve the nuclear issue.

The moderate Seoul CHOSON ILBO in Korean on 30 October publishes on page 3 a 600-word editorial noting that a package deal is worth trying, but it would be difficult to expect North Korea to comply with international judgment as a result of a such a deal. The editorial reports that North Korea refused to accept inspections by the International Atomic Energy Agency, which means North Korea would act on its own in spite of opinions by the international community.

The editorial notes the impasse of the package deal is the imbalance of requirements by the two parties. The United States has offered substantial concessions regarding the establishment of diplomatic relations and economic cooperation, while North Korea has requested the suspension of the Team Spirit exercise, suspension of the international coordination system, and even support to replace its nuclear reactors with a light-water system. The editorial contends it is impossible to predict the additional conditions the North would add to the package deal regarding the U.S. Army in Korea, the peace accord, and U.S. treatment of North Korea.

The editorial suggests that if North Korea continues to request more concessions in the package deal, we should raise the issues of human rights and missiles and seek ways to make North Korea comply with its responsibilities as a member of the international community.

The moderate Seoul KYONGHYANG SINMUN in Korean on 30 October publishes on page 3 a 700-word editorial on the government's policy on the North Korean nuclear issue.

Commenting on the report that the ROK Government sent a positive sign to the United States on the establishment of diplomatic relations between the North and the United States, the editorial denounces that the government's diplomacy lacks independence.

The editorial notes that North Korea has been persistent in its demands and has made the most out of its nuclear

card and President Clinton's series of mistakes in disputed areas, while the ROK seems to have been excluded from the negotiations between Washington and North Korea.

The editorial urges more prudent and considerate diplomacy and urges the government not to repeat imprudent policies, such as the hasty announcement of denuclearization.

The independent Seoul CHUNGANG ILBO in Korean on 30 October publishes on page 3 a 800-word editorial entitled "The Government Must Be More Active in Resolving the North Korean Nuclear Issue." Referring to the recent North Korean-U.S. behind-the-scene contacts, the editorial contends that to resolve the North Korean nuclear issue, the United States will likely establish diplomatic relations with North Korea and support its replacement of nuclear reactors with light-water reactors.

The editorial stresses that to resolve the issue by implementation of a package deal in which North Korea gives up its development of nuclear weapons and guarantees its transparency, North Korea should guarantee a level of transparency of its nuclear development that would be acceptable to the international community.

The editorial reports the government feels North Korea will possess enough plutonium to produce from one to three nuclear weapons, and that it will manufacture nuclear weapons by 1995, at the latest. The editorial concludes by urging the government to strengthen its capacity to cope with North Korea's nuclear weapons and not to be dependent on other countries to resolve the North Korean nuclear issue.

UN Members Plan Resolution Against Pyongyang

SK3010113093 Seoul KBS-1 Radio Network in Korean
1010 GMT 30 Oct 93

[Text] The UN General Assembly will open its main session on 1 November and will adopt a resolution urging North Korea to accept nuclear inspections. We have a report from Kang Song-chu.

[Begin Kang recording] Forty-six countries, including Australia, the ROK, the United States, the United Kingdom, and Japan, which are member countries of the Board of the International Atomic Energy Agency (IAEA), presented a joint resolution before the UN General Assembly on 27 October concerning the North Korean nuclear issue. This resolution, which has been referred to the 48th UN General Assembly as item No. 14 on its agenda, urges North Korea to cooperate immediately with the IAEA by fully implementing the Nuclear Safeguard Accords.

The resolution expresses a serious concern for the fact that North Korea does not abide by the Nuclear Safeguard Accords with the IAEA, and that the range of the unfulfillment of its obligation has recently enlarged.

On 5 October the UN Security Council adopted a resolution that expresses a concern in connection with the North Korean nuclear issue. This will be the first UN General Assembly's resolution against North Korea.

Japan's SANKEI SHIMBUN reported today that in the UN General Assembly slated for 1 November, the IAEA will strongly denounce North Korea for its attitude in connection with suspicion of its nuclear development. Also, it will request that the General Assembly establish measures that will enable North Korea to accept the nuclear inspection immediately.

Concerning this, a U.S. Government official said that although North Korea had once again refused to accept international inspection of the nuclear facilities within its country, it is likely that the North Korean side will change its policy, at the final stage, because it regards the nuclear inspection issue as a means of negotiations to obtain diplomatic recognition from the United States. [end recording]

Source: IAEA To Send Inspection Team to North
SK3010072593 Seoul CHUNGANG ILBO in Korean
30 Oct 93 p 2

[Excerpt] A diplomatic source in Seoul said on 30 October that the International Atomic Energy Agency [IAEA] has recently sent a cable to North Korea and notified it that the IAEA would send a seven-member inspection team to North Korea on 6 November.

How North Korea will react to this is noteworthy because North Korea has been holding negotiations behind the scenes with the United States to discuss nuclear inspections since its declaration to discontinue negotiations with the IAEA in a statement issued by Choe Hak-kun, North Korean Atomic Energy Industry minister.

In particular, the IAEA will send its annual report to the UN General Assembly on 1 November, and, upon receiving the report, the UN General Assembly may adopt a resolution against North Korea; the annual ROK-U.S. Security Consultative Meeting will take place 3-4 November; and the fourth North-South working-level contact will take place on 4 November. Therefore, the next week will be a turning point in resolving the North Korean nuclear issue.

As this diplomatic source said, in its cable, the IAEA said: "Ad hoc inspections [imsi sachall] of the 5-megawatt nuclear reactor, the radiochemical laboratory, and two other facilities, among the facilities which North Korea reported to the IAEA, and routine inspections of three facilities, including the research reactor and the critical assembly, must resume." The source also said that the IAEA had notified North Korea of the date of the inspection team's entry into North Korea.

Prior to this, on 25 October, Pak Kil-yon, North Korean ambassador at the North Korean Mission to the United

Nations, reportedly sent a letter of protest to UN Secretary General Butrus- Ghali and IAEA Director General Hans Blix in connection with the possibility that a resolution may be adopted at the United Nations. [passage omitted]

North Envoy: North 'Never' To Allow Inspections
SK3010014393 Seoul KBS-1 Radio Network in Korean
0100 GMT 30 Oct 93

[Text] North Korean Ambassador to Russia Son Song-pil has said that North Korea would never receive special inspections [tukpyol sachall] of the two unreported facilities in Yongbyon.

Radio Moscow has reported that during a news conference given to Russian reporters at the North Korean Embassy in Moscow on 28 October, he said that North Korea would not allow special inspections of the two facilities in Yongbyon because they are not related to a nuclear program.

Ambassador Son Song-pil also said that preparations had been made to hold the third round of high-level talks between the United States and North Korea.

IAEA, Pyongyang 'Engaged' in Talks on Stance
SK0111015393 Seoul YONHAP in English 0142 GMT
1 Nov 93

[Text] Seoul, Nov. 1 (YONHAP)—North Korea is engaged in behind-the-scenes contacts with the International Atomic Energy Agency (IAEA) to coordinate their positions on the scope of IAEA ad hoc inspections of North Korea's nuclear installations, a government official said Monday.

North Korea is willing to accept routine inspections of three nuclear facilities in Yongbyon but wants to limit ad hoc inspections to part of the facilities, whereas the agency demands full-scope inspection of all four targeted installations, he said.

"As far as I know, North Korea's position is that it accepts routine inspections such as replacing films and batteries in monitoring cameras but can accept ad hoc inspections only of part of the four installations," he said.

"The IAEA, however, is calling for full-scope inspections on all four installations and negotiations are under way between the two sides over the objects and level of the ad hoc inspections."

The negotiations have not yet made progress, but it cannot be ruled out that North Korea will change its position before the U.N. General Assembly adopts a resolution on the North Korean nuclear issue and agree to resumption of ad hoc inspection, the official said.

Subject to routine IAEA inspection are three facilities, including an experimental reactor and a critical equipment.

Four facilities, including a 5-megawatt reactor and a radioactive chemical laboratory, are subject to ad hoc inspections.

North Korea says it cannot allow special inspections at two unreported facilities that are suspected of housing nuclear waste, he said.

IAEA on North's Inspection Stance

SK0111020593 Seoul *HANGUK ILBO* in Korean
1 Nov 93 p 2

[AFP, YONHAP from Vienna]

[Text] An International Atomic Energy Agency [IAEA] spokesman said on 31 October that although North Korea continues to refuse an overall inspection of its suspected nuclear facilities, it will allow the monitoring cameras to continue operating, including the change of batteries and tapes in the cameras.

The spokesman confirmed that North Korea informed the IAEA of this on 28 October, and said that "the IAEA has not yet sent a reply to North Korea concerning such a decision."

He said: "This North Korean proposal is inappropriate. It is imperative to resume the inspection, which was suspended in February."

Prior to his statement, the U.S. THE NEW YORK TIMES reported on 30 October that North Korea had allowed the monitoring cameras to continue operating. It also reported, quoting the remarks made by U.S. diplomats, that "because of North Korea's continued refusal to accept the nuclear inspection, the third U.S.-North Korean high- level talks may be canceled," and that "the talks would not be held until the nuclear inspection issue is settled."

Japan 'Opting' for Dialogue With Pyongyang

SK3110091893 Seoul *YONHAP* in English 0909 GMT
31 Oct 93

[Text] Tokyo, Oct. 31 (YONHAP)—Japan is holding off any stringent measures such as sanctions and opting for dialogue in dealing with Pyongyang's nuclear problem. TOKYO SHIMBUN reported Sunday.

The turnaround is based on China's and Russia's cautious stance toward enforcing sanctions against North Korea, the paper reported quoting Foreign Ministry sources.

Japan, too, believes it is better to continue the dialogue to change North Korea's nuclear policy than to isolate North Korea and push it further into nuclear development, the paper said. Another reason for the turnaround is Japan's judgment that it will take one to five years for North Korea to be able to develop and actually use nuclear weapons, it said.

South Korea agrees with Japan's position and so does the United States, according to the quoted Ministry sources.

The ongoing North Korea-U.S. contact in New York, and International Atomic Energy Agency (IAEA) Director-General Hans Blix's report to the United Nations Nov. 1 are critical factors in North Korea's nuclear situation, TOKYO SHIMBUN said. But Blix's report emphasizes factual explanations rather than political implications of the matter, it said, and chances of the report leading to U.N. sanctions against North Korea is slim.

CFC To Have Wartime Control of U.S. 7th Fleet

SK3110100193 Seoul *CHUNGJANG ILBO* in Korean
31 Oct 93 p 1

[Text] The ROK and the United States decided to assign the wartime operational control of the U.S. 7th Fleet, a subordinate fleet of the U.S. Pacific Command, to the ROK-U.S. Combined Forces Command [CFC] in order to unify its commanding channel with a view to strengthening U.S. support in an emergency on the Korean peninsula.

On 30 October, a Defense Ministry official said that Yi Yang-ho, chairman of the ROK Joint Chiefs of Staff, and John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, will agree to unify the commanding channel during the 15th Military Committee meeting between chairmen of the ROK and the U.S. Joint Chiefs of Staff slated for 3 November. Defense ministers of the two countries will then confirm this agreement during the ROK-U.S. annual Security Consultative Meeting on 4 November.

With the acquisition of operational control of the powerful U.S. 7th Fleet during war time, the ROK-U.S. CFC will grasp overall control of the seas around the Korean peninsula, and, in particular, the maritime logistic line around the Korean peninsula will be ensured. As a result, it appears that the defense capabilities in an emergency will be remarkably increased.

At present, the wartime operational control of the U.S. 7th Fleet, a subordinate fleet of the U.S. Pacific Command, is assigned to some other U.S. commanding channel. Accordingly, the rights of the CFC commander to use combat power in an emergency have been limited in the past; thus, it was feared that the CFC commander would have great difficulties in carrying out military operations in an emergency.

The CFC commander will now be able to use the combat power of the U.S. 7th Fleet for defense of the Korean peninsula by effectively commanding the fleet. As a result, it is believed that he will greatly contribute to leading the war to victory.

It is also expected that consolidation of the ROK-U.S. joint defense system will not only ensure relative superiority of combat power over North Korea, but also will contribute to deterring an outbreak of war. Concerning

this, a relevant Defense Ministry official said: We understood in the past that the U.S. 7th Fleet would be mobilized during an outbreak of war on the Korean peninsula. However, the decision for mobilization strictly remained within discretion of the U.S. side, thus presenting problems. The ROK-U.S. CFC will decide on mobilization of the U.S. 7th Fleet and accordingly, the intentions of the ROK side will be directly reflected. Thus, I believe that military power will be increased greatly.

Article on 7th Fleet Decision

SK0111095293 Seoul CHUNGANG ILBO in Korean
1 Nov 93 p 5

[Article by reporter An Song-kyu: "Significance of Assignment of Operational Control to ROK-U.S. Combined Forces Command"]

[Text] It has been understood that the U.S. 7th Fleet, which takes the Korean peninsula into its operational sphere, is to take an active hand automatically if war breaks out on the Korean peninsula.

The United States has maintained the position that because the 7th Fleet will intervene in the war automatically, there is no need to assign its operational control to the ROK-U.S. Combined Forces Command [CFC].

However, this system presents a problem, because the U.S. 7th Fleet will carry out its operation according to the commanding channel of the U.S. Navy, not to the orders of the commander of the ROK-U.S. CFC, although its combat power will be deployed when a war breaks out.

In other words, the commander of the ROK-U.S. CFC can only request operational cooperation to the commander of the U.S. 7th Fleet and whether this request is to be accepted or not is a different problem.

Practical Reinforcement of Combat Power

Therefore, there has been a constant worry that this system may cause a vacuum in overall operations.

In a nutshell, the attitude of the 7th Fleet in the past has been vague, not committing itself to "making a promise although it will naturally render support."

Therefore, the current agreement between the chairmen of the Joint Chiefs of Staff of the two countries to assign operational control of the U.S. 7th Fleet to the ROK-U.S. CFC means the "guarantee" of intervention.

An official of the ROK Joint Chiefs of Staff said: The two countries have been keenly aware that the United States cannot execute war only with U.S. troops stationed in South Korea in an emergency on the Korean peninsula. Accordingly, the two nations considered the intervention of the 7th Fleet as natural. However, the current agreement on assignment of the operational control means the confirmation of a positive guarantee.

It seems that the agreement was made between the two countries because there was a need, above all, to strengthen military power to cope with an emergency on the Korean peninsula in accordance with the "win and win" strategy which was worked out anew by the Clinton administration.

Such a strategy by the United States is that when wars break out simultaneously on the Korean peninsula and in the Middle East, it will simultaneously lead two wars to victory. To support this strategy, the United States appears to be striving to strengthen its substantive combat power by clearly designating the operational control of the U.S. 7th Fleet, which has remained vague up to the present, instead of actually increasing its armed forces in Northeast Asia.

Therefore, we can anticipate by this step that the combined ROK-U.S. defense system is further solidified and that we can secure relative superiority of combat capability over North Korea.

The Step Has the Significance of Checking the North Korean Nuclear Program as Well

However, the step does not necessarily mean that the Clinton administration has adopted a new Northeast Asian strategy, attaching added importance to the region.

This would be a hasty interpretation of the meaning of the step, because the step does not mean that the Clinton administration deploys new troops and fleets in this region but the step only makes it clear that the fleet under the Pacific Command will automatically intervene when the war breaks out.

An official from the Joint Chiefs of Staff said that since the step ensures support for the Korean peninsula without additional arms buildup in this region, one can hardly interpret it to mean a reinforcement of support for Northeast Asia.

However, the agreement to assign the Seventh Fleet to the ROK-U.S. Combined Forces Command ensures armed support in time of war, and it can be a deterrent to the North Korean intention to use nuclear weapons for offensive purposes even if North Korea develops nuclear weapons. The United States must have thought that the decision would give a strong message in this regard to North Korea.

We can make this assessment because the ROK-U.S. agreement came at an important time when the moves to resolve the North Korean nuclear issue were at their climax.

The greatest significance of the step is that the ROK and the United States have strengthened the ROK-U.S. joint defense system with their common awareness of the North Korean threat.

The Composition of the ROK-U.S. Combined Forces Command Remains Unchanged

The agreement does not bring about changes in the composition and authority of the ROK-U.S. Combined Forces Command.

At present, the ROK-U.S. Combined Forces Command consists of four component forces, namely, ground forces component forces, Navy component forces, and Air Force component forces, and the Marine Corps component forces.

The ground and Air Force component forces are commanded by the U.S. Army and the Navy and Marine Corps component forces are commanded by the ROK Army.

According to the agreement, the Seventh Fleet will belong to the Navy component forces commanded by the ROK Army in time of war on the Korean peninsula.

However, this composition will be reorganized in war time and the commanders of all the component forces will be commanded by the Combined Forces commander.

U.S., ROK To Defer Team Spirit Decision

*SK0111063493 Seoul CHUNGANG ILBO in Korean
1 Nov 93 p 5*

[Text] The ROK and the United States will not decide during their annual Security Consultative Meeting [SCM] to be held in Seoul on 3-4 November whether they will conduct or suspend the Team Spirit exercise next year.

A relevant Defense Ministry official said on 1 November that "although the Team Spirit exercise issue will be referred to as an important agenda item in the SCM, the two sides will not make any decision regarding the exercise."

He said: The decision whether the ROK and the United States should conduct the Team Spirit exercise next year or not must be made after North Korea expresses its affirmative stance toward the settlement of the nuclear issue. Furthermore, the decision must be considered at the negotiations between North Korea and the United States on establishing diplomatic relations. The ROK and the United States will reflect this agreement of opinions on a joint statement that will be issued after the SCM. The two sides will concentrate efforts at this SCM on reviewing in detail whether North Korea will change its attitude concerning the nuclear issue.

He also said that it is true that the U.S. Administration has not yet appropriated funds in its budget for the Team Spirit exercise next year, but it will conduct the exercise if a need for the exercise is raised, even if it has to use a reserve fund. Therefore, this will not become the issue. It

would be fine if the two sides make a decision by February 1994 whether they will conduct the exercise or not.

Concerning this, a relevant Foreign Ministry official said that "the decision whether or not the Team Spirit exercise should be suspended is not an issue that should be hastily determined, taking into consideration the current situation in which the North and South working-level contacts for the exchange of special envoys are under way," and that "it is the government's position that the decision should not be made hastily."

The United States has entrusted the ROK Government with a right to decide whether it will conduct the Team Spirit exercise or not.

UN Officials Seek Troops for Stand-By Role

*SK3010064493 Seoul YONHAP in English 0426 GMT
30 Oct 93*

[Text] Seoul, Oct. 30 (YONHAP)—U.N. Secretariat officials are due in Seoul next week to muster South Korea's support for establishing stand-by forces, the Foreign Ministry said Saturday. Col. Muneer Akbar of Pakistan and Col. Francis Adu-Amanfoh of Ghana, both members of the U.N. Secretariat's stand-by forces planning group, will be in Seoul Nov. 8-9 and meet with Foreign and Defense Ministry officials for briefings on negotiations on the stand-by forces.

U.N. Secretary-General Butrus Butrus-Ghali first suggested the idea in July last year in his agenda for peace. It calls for keeping PKO [peacekeeping operations] forces ready around the clock for dispatch within seven to 14 days in case of emergencies. Officials from the planning group have been visiting U.N. members from the latter half of this year to muster international support. South Korea has not yet declared any official position on whether it supports the proposal.

Russia To Dump Nuclear Waste in Sea of Japan

*SK3010004193 Seoul YONHAP in English 0030 GMT
30 Oct 93*

[Text] Moscow, Oct. 29 (YONHAP)—A high-ranking Russian Government official said Friday [29 October] that Russia will dump a second load of nuclear waste in the sea, reversing its earlier decision to suspend the plan in the teeth of international concerns and protests.

Aleksei Yakovlev, an aide to President Boris Yeltsin in charge of environment affairs, said that a tanker loaded with nuclear waste is presently awaiting an order to dump it.

In an interview with the daily newspaper NOVAYA GAZETA Wednesday, Yakovlev said, "we cannot leave this tanker at its present state for long and therefore a second dumping of nuclear waste is unavoidable."

Yakovlev did not say when and where this nuclear waste would be dumped. But the second load of nuclear waste is about 800 cubic meters, compared with 900 cubic meters it dumped in the East Sea [Sea of Japan] for the first time recently.

Earlier, the vice nuclear energy minister announced that Russia will completely suspend its nuclear waste dumping in the sea.

Yakovlev claimed that Britain and France have also been dumping much more nuclear waste than Russia at sea through pipes that are connected to land. Russia has records that show that radioactivity is high in the sea off those coast, he said.

Yakovlev pointed out that the Soviet Union had not taken part in the 1985 London agreement on nuclear waste dumping and said Russia will clarify its position on the matter in the conference in London on Nov. 6.

Russia opposes dumping of nuclear waste, Yakovlev said, but it is asking the international community to give Moscow time to build disposal facilities by 1997.

Following the first dumping by Russia of nuclear waste, Russia was able to receive financial assistance from Japan to build a nuclear waste disposal facility, he said.

Yakovlev said that Russia and Japan will benefit from the disposal plant because it is to be built in an island area of the four Northern Islands on the Southern tip of the Kuril Island chain which Japan claims.

Under these circumstances, Yakovlev said he thought the second dumping would proceed in a quiet and peaceful manner.

Foreign Minister Returns From PRC With Accords

SK3110075693 Seoul YONHAP in English 0743 GMT 31 Oct 93

[Text] Seoul, Oct. 31 (YONHAP)—Foreign Minister Han Sung-chu returned Sunday [31 October] from his five-day Beijing trip with an agreement on exchanging military attaches and on South Korea-China summit next month.

He met with his Chinese counterpart Qian Qichen during his visit and sought Beijing's support in persuading North Korea to comply with fullscope nuclear inspection.

He also met with Chinese President Jiang Zemin and Premier Li Peng.

His trip there came as international concerns were escalating that inspection cameras at North Korea's nuclear facilities were about to run out of film and battery, breaking even what has been a weak thread of credibility that the communist country was not engaged in covert nuclear development.

Han and Qian agreed that their presidents will meet in Seattle next month where they will be attending the economic leaders' meeting of the Asia Pacific Economic Cooperation (APEC).

They also agreed to exchange military attaches within this year.

Seoul and Beijing normalized relations in August 1992.

Police Search for Missing PRC Tour Group

SK0111065293 Seoul YONHAP in English 0622 GMT 1 Nov 93

[Text] Seoul, Nov. 1 (YONHAP)—A 29-member Chinese tour group, including a 25-year-old man named Chen Xintian, who arrived in Seoul on Saturday, had disappeared from their hotel the next morning, police said Monday. According to the owner of the Moksan Hotel in Chunho-tong, Kangdong-ku, eastern Seoul, the Chinese tourists checked in on Saturday afternoon but were gone by Sunday morning, leaving some of their clothes and possessions behind.

Police said the group, from Guangxi Zhuang autonomous region, southern China, comprised 22 men and seven women aged between 20 and 40. They had checked in for six days, allegedly to tour Seoul, Kyongju and Onyang. Police said the tour was arranged by a Chinese travel agency in cooperation with a Korean agency that they identified only with the initials. All of their passports are being held by the travel agency. Police, believing that they came to Korea to work illegally, have notified the immigration office and are looking for the Chinese tourists on suspicion of violating the immigration law.

An increasing number of foreigners, mostly ethnic Koreans from northeastern China, Sri Lankans, Bangladeshis, Pakistanis and Filipinos, are coming into South Korea in recent years to work illegally, creating a serious social problem. Those illegal foreign workers fill the void left by Koreans who avoid the so-called three-D—dirty, dangerous and difficult—jobs.

Agreement With Canada on Nuclear Technology

SK3010070793 Seoul YONHAP in English 0437 GMT 30 Oct 93

[Text] Seoul, Oct. 30 (YONHAP)—The South Korean and Canadian Governments agreed on stronger technology cooperation on nuclear fuel development for light- and heavy-water reactors in a three-day meeting of their Joint Nuclear Energy Coordination Committee in Seoul ending on Friday, the Science and Technology Ministry said Saturday. The two promised to introduce a training program for Koreans in Canada and joint advancement into third countries with their atomic energy technology. They agreed to discuss a revision to the Korea-Canada Atomic Energy Cooperation Accord, signed in January 1976, through formal diplomatic channels.

With some amendments to the existing bilateral agreement, the two countries can strengthen partnership and mutual benefit in nuclear energy cooperation, Ministry officials said.

Other agreed issues of this week's meeting include technology transfer of nuclear fuel, assistance to Korean technicians for training and study of Canada-made "Candu" reactor system in third countries, and cooperation in managing radioactive waste.

Seoul and Ottawa also pledged close cooperation on the international stage on problems like extension of Nuclear Non-Proliferation Treaty and peaceful use of atomic energy.

Policy Consultation Forum With Israel Planned

*SK0111081393 Seoul YONHAP in English 0800 GMT
1 Nov 93*

[Text] Seoul, Nov. 1 (YONHAP)—South Korea and Israel will hold their first policy consultative meeting on Nov. 10-11 in Jerusalem, the Foreign Ministry said Monday.

Sin Ki-pok, assistant foreign minister for political affairs, will head Seoul's delegation to the talks and Jerusalem will be represented by Uri Savir, director-general of the Israeli Foreign Ministry.

Korea normalized diplomatic ties with the Jewish State in 1962, but bilateral relations remained limited in consideration of Korea's dependency on Arab nations for oil and its construction contracts in the Middle East.

Seoul moved fast to improve and expand relations with Israel following the peace accord with long-time foe the Palestine Liberation Organization (PLO) and the first policy consultative meeting is expected to be a forum for the two countries to set the directions for future cooperation, Ministry officials said.

The meeting will discuss ways to boost bilateral economic and trade partnership and scientific, technological and cultural cooperation, the officials said.

German Defense Minister in Seoul on Visit

Backs Moves on Nuclear Issue

*LD0111092793 Hamburg DPA in German 2349 GMT
31 Oct 93*

[Excerpt] Seoul (DPA)—German Defense Minister Volker Ruehe supports South Korean efforts to persuade communist North Korea to surrender on the nuclear issue under political pressure. This is the "only thing to do," Ruehe said in Seoul today prior to his talks with his South Korean counterpart Kwon Yong-hae and President Kim Yong-sam. It was said in Bonn delegation circles that Ruehe favors Pyongyang's strict adherence to the international Nuclear Nonproliferation Treaty. Pro-Western South Korea, which is closely allied with the

United States, is the second leg of Ruehe's Asian tour, after Thailand. He leaves for Japan tomorrow. Prior to his political talks in Seoul, Ruehe laid a wreath at the national cemetery in the South Korean capital today. [passage omitted]

Meets President Kim 1 Nov

*SK0111055993 Seoul YONHAP in English 0537 GMT
1 Nov 93*

[Text] Seoul, Nov. 1 (YONHAP)—President Kim Yong-sam and German Defense Minister Volker Ruehe exchanged views on issues of mutual interest, including North Korea's nuclear development, on Monday [1 November] morning at Chongwadac [presidential offices].

Kim said that he appreciated the German Government's efforts in seeking a solution to North Korea's nuclear problem.

"I expect Germany to play an active role in backing up international cooperation to solve the North Korean nuclear issue," Senior Presidential Press Secretary Yi Kyong-chae quoted Kim as telling Ruehe.

Kim also expressed the hope that the two countries will further promote cooperation in defense industry.

Ruehe, meanwhile, reportedly said that his country was suffering from such problems as financial burden and psychological heterogeneity among youths between east and west after the reunification of east and west Germany.

Defense Minister Kwon Yong-hae also met with Ruehe and they discussed ways to improve relations in defense between the two countries.

Ruehe is to give a speech on German security policy at the National Defense Graduate School later in the day. He leaves for Tokyo on Tuesday.

Agreement With Iran on Work Permits, Training

*SK3010070493 Seoul YONHAP in English 0508 GMT
30 Oct 93*

[Text] Seoul, Oct. 30 (YONHAP)—Iran will cut the time it takes to issue work permits to South Korean nationals under a memorandum of understanding signed in Tehran on Wednesday by Vice Labor Minister Kim Hun-ki and Iranian Labor and Social Affairs Minister Mohsem Sorkhu. Labor Ministry officials said Saturday. In addition, Iran will immediately pay an employment allowance when it issues a work permit, improve working conditions and grant tax benefits to Koreans.

Korea agreed to provide more job training courses for Iranians and to increase the number of Iranians who receive job training in Seoul.

Nearly 1,300 Korean nationals are working in Iran for Korean companies such as Daelim Industry Co., Daewoo, Shinhwa Construction Co., Ssangyong and Hyundai. It currently takes four weeks to get a work permit and another four weeks to get an employment allowance.

Stalled Payment Talks Scuttle Exports to Iran

SK3110040893 Seoul YONHAP in English 0232 GMT
31 Oct 93

[Text] Seoul, Oct. 31 (YONHAP)—South Korean exporters to Iran began a fight with domestic banks Saturday after the latter refused negotiations on getting export payment and interest past due from the Middle East country. Company officials say the failed negotiations will botch 200 million U.S. dollars of exports to Iran this year.

Fifteen general trading companies including major names like Daewoo and Hyundai issued a joint protest statement that South Korean banks turned down settlement negotiations on grounds that Iran's proposed interest rate is lower than the domestic rate.

Iran owes South Korea 400 million U.S. dollars in backed up export payment. Company officials said Iran and domestic banks have been negotiating the terms of repayment. Iran proposed that the interest rate be set at libor plus 0.75 percent on condition that South Korea postpone deadline on export payment, but the banks turned down the proposal, saying the offer is lower than the domestic rate of libor plus 2.25 percent, officials said in their statement.

The stalled talks are likely to cancel 200 million dollars of exports to Iran this year alone and as much as over 400 million dollars next year, officials said.

President Backs North-South Soccer World Cup

SK0111045693 Seoul YONHAP in English 0245 GMT
1 Nov 93

[Text] Seoul, Nov. 1 (YONHAP)—President Kim Young-sam, not hiding his excitement at South Korea's fourth qualification for the World Cup, ordered comprehensive preparations to host the 2002 finals Monday. Kim gave the Korean football team breakfast at Chongwadae to congratulate them for their good performance at the Asia regional finals in Doha, Qatar, securing the country's third straight appearance in the World Cup.

"If the first World Cup of the 21st century is co-hosted by South and North Koreas, it will be not only a grand festival for the Korean people but one that can harmonize the whole world," Kim told the team. "With the public support and expectation shown in recent games, I hope all join in to construct a masterplan to bring the 2002 World Cup to Korea and make it come true," he added, strongly suggesting a partnership with North Korea for such goal.

The president's personal interest is expected to intensify Korea's challenge to host the 2002 World Cup. Japan was as close to staging the World Cup as it was to making it to next year's finals in the United States, when the second dream was crushed by a 2-2 draw with Iraq and threatened the former dream.

Qualification for America was essential for Japan to hold to the 2002 finals as no team that has never qualified for the World Cup has ever staged the event.

The Federation Internationale de Football Associations (FIFA) has stated that the 2002 World Cup will most likely be held in Asia and Chong Mong-chun, president of the Korean Football Association, has pledged all efforts to bring home the games with the help of North Korea.

"Many of the people wish to see the 2002 World Cup open in Seoul... If people from all walks of social life unite and work for the goal in a self-propelled campaign, the government will fully support it," Kim said.

"Sports, like science and technology, are a silent war," he said, bidding the team to sweat blood for good results at next year's finals.

Sports Official on Possibility

SK3010125693 Seoul YONHAP in English 1239 GMT
30 Oct 93

[Text] Seoul, Oct. 30 (YONHAP)—Chong Mong-chun, president of the Korea Football Association, said on Saturday that co-hosting the 2002 World Cup soccer by South and North Korea is possible. He made the remarks at the press conference at the Kimpo International Airport shortly after arriving here along with the South Korean soccer team, which won the ticket to the World Cup finals slated for next year in the United States.

Chong, also a lawmaker, said that North Korean soccer officials and FIFA [Federation Internationale Football Association], soccer's world body, showed positive reaction to the idea of possible co-hosting. He also expressed his strong will to obtain the right to host the tournament and hoped the government's active support.

Besides South Korea, Japan, Saudi Arabia and Malaysia are also applying for the right to host the World Cup tournament in 2002, and Japan had been a favorite until it failed to win the ticket to the next year's finals. The vote for the 2002 venue will be in June 1996.

Chong was skeptical about possibility of Japan's hosting the games, saying that he learned Japan is not a strong favorite after discussing on the issue with soccer officials from FIFA and other nations.

"I will try to persuade Japan to support South Korea's bid to host the 2002 World Cup for development of Asian soccer," he said. He was also skeptical about possibility of making a unified team of South and North Korea for the 1994 World Cup. He said, "It is not quite

possible because North Korea already participated in the preliminary matches. FIFA officials also said it would be difficult for them to approve the unified team."

DPRK-Made Suits Gain Sales in Japan Market

SK011104793 Seoul CHUNGANG ILBO in Korean
1 Nov 93 p 9

[Text] North Korean-made men's suits are filling the vacuum created as the result of the expulsion of South Korean-made men's suits from Japanese markets.

On 1 November, the Korea Trade Promotion Corporation and relevant circles revealed that the market share of ROK-made men's suits in the Japanese markets which reached 44 percent in 1989 has been decreased to 14.1 percent as of the end of last May. On the contrary, the market share of North Korean-made men's suits has been drastically increased to 10.2 percent from 3.8 percent.

The reason for this is that since the 1990's, Korean residents who are affiliated with North Korea's General Association of Koreans Residing in Japan [Chongnyon] established joint-venture firms in North Korea and produced men's suits under processing deal trade. As a result, exports of this product to Japan increased remarkably.

In particular, after importing raw fabrics and design from Italy at cheap prices, they assigned only sewing to North Korean plants. Thus, they consistently enhanced the market share of high-quality men's suits in the Japanese markets without colliding with cheap-priced Chinese products.

Kim Yong-sam Reiterates Pledge on Nuclear Arms

SK011110893 Seoul YONHAP in English 1026 GMT
1 Nov 93

[Text] Seoul, Nov. 1 (YONHAP)—President Kim Yong-sam said on Monday that South Korea would not possess nuclear arms in its pacifism policy line. Saying that there will be no change in the denuclearization policy, Kim said his government won't consider having nuclear reprocessing facilities, either.

While meeting with visiting Norwegian Foreign Minister Johan Jorgen Holst at Chongwadae [presidential residence], President Kim said South Korea, however, will carry on nuclear research for the better use of nuclear energy for peaceful purposes.

When the Norwegian official raised the issue of Russia's dumping of nuclear waste into seas, Kim said his government would talk with Russia over the issue after the effect of the dumping on the East Sea was determined.

"During Japanese Prime Minister Morihiro Hosokawa's visit to Korea toward the weekend, we will discuss

possible joint steps to cope with the dumping," the president was quoted by Chongwadae spokesman Yi Kyong-chae as saying.

Security Law Amendment Submitted to Assembly

SK3010064793 Seoul CHOSON ILBO in Korean
30 Oct 93 p 2

[Reporter Kim Kyo-chun]

[Text] The Agency for National Security Planning [NSP] on 29 October submitted an amendment on the national security law to the National Assembly after gaining approval from President Kim Yong-sam. The agency submitted the amendment enacting a law prohibiting its agents from meddling in politics; abolishing the Information Coordination Council; and allowing the Information Committee of the National Assembly to audit the NSP's overall duty performances and financial budget.

In a briefing on the amendment, the NSP noted: "It laid emphasis on preventing agents' political meddling by law and maintaining its own rights as the backbone of the country's information agency."

Submitting the amendment, the NSP revealed: "The agency will establish an epoch-making formula renewing its operations by accepting the opposition party's demands." The opposition party had demanded that the agency's authority to investigate be abolished, and that the authority of information mediation and security inspection also be transferred to another government agency.

In connection with this, Kim Tok, the agency's new chief, had reported at the parliamentary inspection that the agency will strictly limit its authority to investigating spies and anti-national subversive forces; cut down the number of offices compiling the information budget to four from 10; and reduce the number of government offices subject to the NSP security inspection to 160 from 2,056.

1994 Defense Budget Set at Over 43 Trillion Won

SK3010073193 Seoul YONHAP in English 0528 GMT
30 Oct 93

[Text] Seoul, Oct. 30 (YONHAP)—The government has set pure defense spending for 1994 at over 10 trillion won, mostly to modernize camp facilities and improve conditions for career soldiers, a source said Saturday. The 10.1003 trillion won is 23.3 percent of a total budget request of 43.2500 trillion won. Defense expenses other than pure defense include 107.4 billion won for the military manpower administration and 282.3 billion for operation of the combat and maritime police by the Home Affairs Ministry.

Seoul's contribution to the cost of the U.S. military presence in Korea will be 208 billion won (260 million U.S. dollars) next year, a rise of 22.8 percent over this

year, the source said. The budget is subject to review by the National Assembly. The 1994 pure defense request is a rise of 884.9 billion won, or 9.6 percent, over 1993. It includes 4.6086 trillion won for manpower, 936 billion won for equipment, 111.8 billion won for training and education, 225.5 billion for homeland defense and 485.6 billion won for facilities.

Most of the money for facilities is to improve barracks, build officers apartments, modernize camp facilities, and improve military welfare.

Steps Taken To Brake Unfairly Low Building Bids

SK3010064293 Seoul THE KOREA TIMES in English 30 Oct 93 p 16

[Text] The government yesterday announced a set of steps aimed at putting the brakes to "dumping" practices in public construction projects by private contractors as part of its efforts to stamp out substandard construction. The Fair Trade Commission [FTC] said contractors who apply for public bids by offering excessively low prices to exclude competitors from the bidding will be subject to punishment including the nullification of their "winning" bids.

At present, public construction projects worth 10 billion won or more are supposed to be publicly bid for, which means that those offering the lowest prices win the contract. But such practices have led contractors to offer prices as low as possible, resulting in the acceleration of substandard construction.

According to the FTC's steps, a panel comprising government official and scholars will screen all public construction projects whose contract prices are below 70 percent of the expected price envisioned by government agencies or government-invested enterprises. The FTC also defined types of unfair price-cutting practices. One of them is when private contractors submit a bid for a project with low prices in light of their financial status, past construction record and technical capability.

Those who offer low price to gain preemptive dominance in certain areas will also be obligated to undergo the panel's screening, FTC officials said.

The FTC said contractors who succeed in winning contracts with unfair low prices will face punishment as stipulated in the Monopoly Regulation and Fair Trade Act.

These include nullification of contracts and fines of up to 30 million won. If contractors are indicted by the prosecution, they could be subject to up to two years in imprisonment or fines of up to 150 million won.

At the same time, they will be barred from bidding for public projects for up to six months.

It has been learned that because of cut-throat competition in the construction sector, contractors used to offer extremely low prices to win public contracts. Contract prices of 277 public projects on bid between March and October of this year stood at only 65.7 percent of expected prices.

Financial Organization Heads Resign 'En Masse'

SK3010020593 Seoul THE KOREA TIMES in English 30 Oct 93 p 17

[Text] Chairmen of the four financial organizations yesterday tendered resignations en masse following a luncheon meeting with Finance Minister Hong Chae-hyong.

They are Chong Chun-tack, chairman of the Korea Federation of Banks, Chong So-yung, chairman of the Korea Life Insurance Association, Pak Pong-hwan, chairman of the Korea Non-Life Insurance Association and Hong Song-hwan, chairman of the Korea Investment & Finance Companies Association.

All of them were appointed under the No Tae-u administration.

Hyundai Founder Sentenced for Embezzlement

SK0111065593 Seoul YONHAP in English 0608 GMT 1 Nov 93

[Text] Seoul, Nov. 1 (YONHAP)—Chong Chu-yong, founder of the Hyundai Group, was convicted of embezzlement and presidential election law violations and sentenced to three years in prison on Monday.

Chong, who created the United People's Party ticket as the vehicle for a presidential bid last December, was found guilty of diverting 50.9 billion won (63.6 million U.S. dollars) from the coffers of Hyundai Heavy Industries Co. into his election campaign and of using Hyundai Group employees as campaign workers.

Presiding Judge Yang Sam-song of panel No. 25 of the Seoul District Criminal Court did not order an immediate arrest so that the defendant could be tried without being detained pending final decision at the Supreme Court.

Yang said the court was not ordering a detention of Chong in recognition of his advanced age and contribution to the country's economic development over the years.

Stock Sales to Foreigners Rise in October

*SK3010104593 Seoul YONHAP in English 1008 GMT
30 Oct 93*

[Text] Seoul, Oct. 30 (YONHAP)—Foreigners bought the biggest amount of stocks in October since the government opened the securities market to foreigners, the Securities Supervisory Board said Saturday. The buying by foreigners reached 723.3 billion won (about 895.2 million U.S. dollars) in October, exceeding 677.6 billion won in last April, the previous monthly record.

according to the board. The number of stocks, however, purchased by foreigners was 41.73 million, fewer than 41.95 million in April.

Board officials attributed the increase in the buying by foreigners to their optimistic prospect of the South Korean stock market.

Foreigners tended to buy small capital stocks until early this year, but recently began to prefer large capital stocks, according to the officials.

Burma**Khin Nyunt, Wa Leaders Discusses Development**

BK2910045393 Rangoon Burma Television Network in Burmese 1330 GMT 28 Oct 93

[Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], received a delegation led by U Pao Yu Chang, Wa national leader from Northern Shan State Special Region-2, at 1600 today at the Defense Services Guest House on Inya Road, Yangon [Rangoon].

Present at the meeting were Lt. Gen. Maung Thint, minister of development of border areas and national races; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; Lieutenant Colonel Thein Han, director general of the Office of the Work Committee for Development of Border Areas and National Races; and responsible officials.

Regional development matters such as construction of roads and bridges in the region; education; health; agriculture and livestock breeding; narcotic drug elimination, suppression, and prevention drives in the region; and local security were discussed.

Secretary-1 Lt. Gen. Khin Nyunt and Minister Lt. Gen. Maung Thint coordinated on the matters raised. The meeting ended at 1830 after the secretary-1 spoke about the three cardinal causes and active participation and cooperation of local people in development projects.

Karen Leader: No Plans for Talks With SLORC

BK3010031593 London BBC in Burmese to Burma 1345 GMT 29 Oct 93

[Interview with General Saw Bo Mya, chairman of the Democratic Alliance of Burma and the Karen National Union, by U Aung Myint Tun of the BBC Burmese Service in England; date not given—live or recorded]

[Text] [U Aung Myint Tun] General Mya, there is a rumor going around saying that your delegation has gone abroad to set a date for talks with the SLORC [State Law and Order Restoration Council] government at a venue outside Burma. Would you like to comment on this?

[Mya] It is absolutely not true. We neither have a plan to set a date for talks nor to meet with them.

[U Aung Myint Tun] The rumor is not widespread; it has been heard in some quarters.

[Mya] These rumors are aimed at undermining the unity of our Democratic Alliance of Burma [DAB] and creating misunderstanding among DAB members. There is unity in our alliance. [Words indistinct] DAB. We do not betray the alliance, nor do we betray the KNU, Karen National Union. We stand by the side of the people in

the interests of the nation and the people. As for them, they torture and kill people. Therefore, we have no reason to meet with them. We are not likely to meet them, and we have no plan to meet them.

They are attempting to create disunity and misunderstanding among the national races in Burma. They are going around lying to the world. That is why we have come here to explain so that the world will not believe their lies. They are trying to undermine our attempts.

[U Aung Myint Tun] Gen. Mya, is your delegation in England to explain the aforementioned matters?

[Mya] We are planning to meet with leaders and political organizations while in Britain to explain developments in Burma.

[U Aung Myint Tun] In an earlier interview with me, Gen. Mya, you said you were considering going to Germany. Do you still have plans to visit Germany?

[Mya] Yes, we originally planned to visit Germany. It is still under consideration.

[U Aung Myint Tun] What would be the purpose of your visit if you do go to Germany?

[Mya] It will be just to visit, as we have heard it is very near here.

Our DAB is striving to achieve reconciliation in Burma. The SLORC is (?exploiting) and killing the people and committing unjust acts. That is why there is unity and understanding among the general public and their resolve to oppose the enemy has become firmer. We are striving to achieve more unity and our DAB is jointly working with organizations of national races and Burmese organizations and politicians for emergence of a genuine democratic government in Burma.

[U Aung Myint Tun] Thank you.

[Mya] Thank you.

Opposition Politician Given 20-Year Jail Term

BK2910043393 London BBC in Burmese to Burma 1345 GMT 28 Oct 93

[From "Current International Affairs" program]

[Text] The SLORC [State Law and Order Restoration Council] military government in Burma is reported to be cracking down severely on critics of the new constitution and National Convention. Earlier this month, the SLORC imposed harsh jail terms on its critics, including a well-known writer, Ma Thida, and some prominent opposition politicians.

Meanwhile, the SLORC continues to release political prisoners who are no longer considered a threat to the country's security. Larry Jagen writes on the matter as follows:

The SLORC continues to crack down harshly on the political activities which they themselves had allowed. According to Rangoon residents, several opposition members have been released while some have been imprisoned following detention and exhaustive interrogation in recent months. Among those given 20-year prison terms on 15 October by Insein District Court was Ma Thida, a well-known short story writer. [word indistinct] member of parliament; and ten other persons. They were arrested on 7 August and kept under detention for about one month without outside contact until they were brought to court on 27 September.

They were charged under the Emergency Powers Act of distributing documents banned by the SLORC and contact with illegal organizations. Observers believe the sentences passed were unreasonably harsh considering the dubious, unclear, and unproven nature of the charges.

Ma Thida, age 27, had worked as a doctor in a philanthropic Muslim hospital in the past year. Ma Thida has become well-known for her short stories and has written novels but they have not been published. The SLORC is now banning her from publishing her latest novel which they had already given permission to publish. Ma Thida had once worked as an organizer for Daw Aung San Suu Kyi and traveled throughout Burma during the elections.

The SLORC had to change the date of the court hearing when many people turned up at the court. It was learned that family members of Ma Thida were allowed to attend the hearing on 27 September.

According to court sources, another 10 persons who were charged were handcuffed during the hearing and sentences were to be passed on 15 October. On the day the jail terms were passed on Ma Thida and ten others, two opposition politicians, Dr. Aung Khin Sint and his aide, U Than Min, also received jail sentences. Dr. Aung Khin Sint was given a 20-year prison term for distributing threatening leaflets. U Than Min was sentenced to a total of 31 years—11 years in addition to the 20-year sentence.

Dr. Aung Khin Sint and U Than Min were arrested for distributing leaflets which reminded delegates to the National Convention that they were elected members of parliament. It was a time of anxiety for many members of the National League for Democracy [NLD] when the NLD MP's were opposing the SLORC's attempts to make the National Convention accept a new presidential system of government. Rangoon residents believe that Dr. Aung Khin Sint and his aide at that time reminded the NLD delegates to closely follow the party line. The opposition sources said that there were many leaflets distributed during that particular period and they believe that although the leaflets did not constitute a threat, the SLORC took the leaflets as an attack against it and subsequently punished Dr. Aung Khin Sint as an example.

The arrest of Dr. Aung Khin Sint, despite SLORC's earlier assurances that members of parliament who express their views openly would not be arrested, has caused much commotion among members of the opposition. One person claimed that Dr. Aung Khin Sint had been given a 20-year jail term for dutifully serving as a member of parliament and a delegate to the National Convention. By doing so, the SLORC is negating its claim that it is establishing democracy in the country.

These jail terms also run counter to a general amnesty announced by the SLORC in January [1993] when the National Convention opened. The amnesty commuted 10-year jail terms to one year. And yet the SLORC continues to announce the release of political prisoners and claims that about 2,000 have been released in the last 18 months. However, Rangoon residents claim that those released have almost completed their terms. The human rights activists, meanwhile, claim that 22 out of the 60 members of parliament arrested before 1992 still remain behind bars.

Amnesty International regards Dr. Aung Khin Sint and Ma Thida as prisoners of conscience and will campaign for their release. Amnesty also believes that all 13 persons imprisoned did not receive a fair trial and has expressed its concern for their condition in prison. Most observers believe that the harsh prison terms passed are the latest indication that the SLORC is eliminating once and for all those opposing military rule.

Brunei, Malaysia & Singapore

Malaysia

Trade Minister To Attend APEC Meeting in Seattle

BK0111095293 Kuala Lumpur NEW STRAITS TIMES in English 30 Oct 93 p 14

[Text] International Trade and Industry Minister Datuk Sri Rafidah Aziz will attend next month's Asia Pacific Economic Cooperation [APEC] ministerial meeting to ensure the grouping does not stray from the original objectives of its formation. She said the cabinet had decided she would represent Malaysia at the meeting in Seattle on November 17 and 18. She told newsmen after launching the MITI [Ministry of International Trade and Industry] Counter Service Centre at the ministry, that Malaysia and other ASEAN members would air their views on the future direction of APEC.

"Malaysia and its ASEAN partners do not want to be pushed into making a decision. We wish to together determine APEC's direction so that it does not stray from the original objectives and more importantly for APEC to operate according to our aspiration," she said.

The ministerial meeting will be followed by an informal conference of APEC leaders with U.S. President Bill Clinton on November 19.

On the recommendations contained in an Eminent Persons Report on the future direction of APEC, she said some proposals in the report could be accepted while others needed further consideration.

She said Malaysia would not accept a structured APEC, as the grouping had a mandated role and scope of operations.

Mahathir Comments on Ghafar Baba's Resignation

BK2910144293 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 29 Oct 93

[Text] Datuk Sri Dr. Mahathir has said that Mr. Ghafar Baba's resignation as deputy prime minister and rural development minister became effective immediately on 15 October. The prime minister said this was in accordance with the attorney general's opinion that the prime minister need not acknowledge or reject resignations. As such, there is no question as to whether the prime minister accepted or rejected Mr. Ghafar's resignation. Dr. Mahathir discussed the issue when questioned by reporters at the Parliament building.

Ghafar Resigns From UMNO Post

BK3010094493 Kuala Lumpur BERNAMA in English 0821 GMT 30 Oct 93

[Text] Kuala Lumpur, Oct.30 (OANA/BERNAMA)—Malaysia's former Deputy Prime Minister Ghafar Baba today tendered his resignation as Deputy President of the United Malays National Organisation (UMNO) with effect from Nov. 1. UMNO is the senior partner of the ruling National Front party. The letter, addressed to party president Dr Mahathir Mohamed, was submitted to the prime minister's principle private secretary Abdul Aziz Ismail by Ghafar's special officer Abdul Rahman Yunus at the prime minister's office at 1.05 pm.

Ghafar made the decision to relinquish the party post at his house at 11.30 am and he was informed by Ghafar to submit the letter to Dr Mahathir, he added. He said although Ghafar resigned from his party post, he remained an UMNO member. Abdul Rahman also said Ghafar would retain his seat as the MP for Jasin, Melaka.

Ghafar resigned as Deputy Prime Minister and Minister of Rural Development on Oct.15. Ghafar, who was trailing far behind Finance Minister Anwar Ibrahim in the contest for the deputy president's post, withdrew from defending the post on Oct. 21. Ghafar only got seven nominations compared with the 145 obtained by Anwar.

Government Announces 1994 National Budget

Mahathir Comments on Plan

BK2910151393 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 26 Oct 93

[Text] Datuk Sri Dr Mahathir said the national budget announced today was the best ever experienced by the nation because of its ability to create a balance in expenditure and income. Even though the previous expenditures had brought about a balance in expenditure and income, they had not taken into account the issue of development. He said with the prevailing good economic situation, a balance could be achieved between expenditure and income.

The prime minister considered the achievement as outstanding. He stated this when he was asked to comment on the 1994 national budget.

[Begin Mahathir recording] This (?happens) when there are tax rebates that constitute an incentive for investment, added to exempting 60,000 persons from paying income tax. This is another (?specialty). It is aimed at providing more benefit for people in lower income groups and they will no longer be required to pay income tax. I would be happier if more reductions could be made, but our country's future economic condition should be taken into consideration. [end recording]

Finance Minister on Economy

BK2910150793 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 29 Oct 93

[Text] The 1994 government budget is aimed at providing benefit to all Malaysians and ensuring that economic growth remains strong and stable while simultaneously reducing the inflation rate.

The balanced budget of 47.135 billion ringgit is targeted at further improvement and acquisition of technical skills by Malaysians in creating a balanced and just society. This directly encompasses the agenda of the framework of the second long-term development program in trying to achieve the desired objective of Vision 2020 and in raising the country's status and prestige.

When announcing the budget, Finance Minister Datuk Sri Anwar Ibrahim stated that it resolves several major economic problems and the apprehension faced by all public sectors with regard to investors, industrialists, workers, and farmers in the rural and urban areas. The proposed measures include tax rebates which will benefit people with lower incomes. He also announced a further reduction in corporate tax from 34 percent to 32 percent with a promise to further reduce the tax to 30 percent.

An allocation of 1.44 billion ringgit has been made for low-cost housing. Duties have been reduced on another 500 items, following reductions on 600 items in the 1993 budget.

For workers in the public sector, including those in the statutory bodies and the security forces, the minister announced that an additional half-month's pay or a minimum of 400 ringgit would be given to all personnel.

Datuk Sri Anwar announced that 1993 revenues indicated that the country had a balanced budget for the first time in its history. For 1994, with expectations of higher income, the implementation of tax rebates, and the continuation of the physical services, Malaysia possibly could expect another balanced budget. He said the 1994 budget creates a new philosophy, culture and direction for all government functions, that is, the government role in orienting services and development through a skilled administration which is (substantive) and cautious.

The major proposals included a public complaints bureau, to operate and function as ombudsman [preceding word in English] which will investigate every complaint by the public in an effort to further strengthen responsibility in the management of funds and to eradicate the abuse of power. He also encouraged the participation of women in the work-related sector by proposing that all expenditures involving child care be tax exempt.

For the petroleum industry, the minister proposed that the income tax rate for petroleum be reduced from 45 percent to 40 percent and the export duty on crude oil be reduced from 25 percent to 20 percent.

For vehicle owners, Datuk Sri Anwar proposed that the price of unleaded petrol at gas stations be reduced by three sen per liter effective 1 January 1994 and a tax exemption for motorized vehicles. The two proposals are among several government efforts to protect the environment.

Treasury Releases Import Figures

*BK3010145993 Kuala Lumpur BERNAMA in English
0953 GMT 29 Oct 93*

[Text] Kuala Lumpur, Oct 29 (OANA-BERNAMA)—Malaysia's gross imports, valued at cost, insurance and freight, are expected to increase by 12 percent in 1993 to RM [Malaysian ringgit] 113.6 billion (US\$295.4 billion) compared with a growth of 0.6 percent to RM101.4 billion (US\$253.5 billion) in 1992.

According to the economic report 1993/94 released by the Treasury here Friday, gross imports during the first seven months of 1993 expanded by 11.2 percent compared with the growth of 1.1 percent in the same corresponding period.

The producer price index for the first half of 1993 indicated that import prices increased by one percent compared with a decline of 1.3 percent during the same period in 1992.

The Treasury said 84 percent of total imports in the first seven months of 1993 comprised investment and intermediate goods.

As for 1993 as a whole, imports of investment and intermediate goods are expected to increase by 11.8 percent and 15.1 percent respectively, while the import of consumption goods is expected to increase by 4.2 percent.

During the first seven months of 1993, the import of investment goods increased by 10.9 percent on account of improved import performance of metal products (23.1 percent), machinery (4.5 percent) and other equipment (23.1 percent).

However import of transport equipment declined by 10 percent. Its share to total imports declined marginally to 41.6 percent during the first seven months of 1993 (January-July 1992: 41.7 percent).

Meanwhile the import of metal products rose by 18.3 percent in the first seven months of 1993 (-12.4 percent in the same period of 1992).

Imports of intermediate goods in the first seven months of 1993 increased by 14.4 percent to total RM27.8 billion compared with a decline of 3.2 percent during the same period in 1992.

The import of building and construction materials increased by 10.7 percent during the first seven months of 1993 (January-July 1992: 7 percent).

Imports of consumption goods rose by 3.4 percent to RM9.8 billion during the first seven months of 1993. Its contribution to total imports however fell to 15.2 percent (January-July 1992: 16.3 percent).

Import of food increased by 3.4 percent to RM2.1 billion during the first seven months of 1992 and imports of consumer durables rose by 20 percent compared with a decline of 4.8 percent in the same period of [word indistinct].

Imports for re-export, which comprised of tin ore and rubber, declined by 14 percent during the first seven months of 1993, compared with an increase of 47.3 percent in the previous corresponding period.

Total Trade Rises by 15.5%

*BK3010143593 Kuala Lumpur BERNAMA in English
1011 GMT 29 Oct 93*

[Text] Kuala Lumpur, Oct 29 (OANA-BERNAMA)—Malaysia's total trade expanded by 15.5 percent to RM [Malaysian ringgit] 133.2 billion (about US\$333 billion) during the first seven months of 1993 compared with a growth 5.4 percent during the corresponding period in 1992.

According to the 1993/94 economic report released by the Treasury here today, despite facing tariff and non-tariff barriers for its exports to developed countries,

Malaysia's gross exports valued at free-on-board (f.o.b) expanded by 19.8 percent to RM68.3 billion (about US\$170.7 billion).

This constituted 51.3 percent of total trade, it said adding that during January to July last year gross exports grew by 10.2 percent.

Gross import valued at cost, insurance and freight (c.i.f) rose by 11.2 percent (January-July 1992: 1.1 percent) to RM64.9 billion (about US\$162 billion), constituting 48.7 percent of total trade.

With export growth higher than import growth, Malaysia's trade balance registered a surplus of RM3.4 billion (US\$1; RM2.5) compared with deficit of RM1.3 billion recorded in the same period 1992.

During this period, Japan continued to be Malaysia's largest trading partner with a total trade value of RM26.7 billion, accounting for 20.1 percent of Malaysia's total trade, followed by the United States (19.1 percent), Singapore (18.3 percent) and the European Community (12.8 percent). Trade with these countries amounted to RM93.7 billion, accounting for 80.3 percent of Malaysia's total trade.

ASEAN countries continued to be Malaysia's largest trading partner, reflecting the relatively strong economic region and the increasing co-operation among the member states, the report added.

It would be further enhanced with the implementation of the agreement on the Common Effective Preferential Tariff (CEPT) scheme, the report said.

During first seven months of 1993, total trade with ASEAN countries expanded by 8.8 percent to RM31.6 billion or 23.7 percent of Malaysia's total trade compared with 9.6 percent during corresponding period last year.

Exports grew by 10.3 percent to RM18.8 billion while imports expanded by a slower rate of 6.7 percent to RM12.8 billion.

Editorial Notes Pessimism on GATT Talks

BK2910123193 Kuala Lumpur NEW STRAITS TIMES in English 26 Oct 93 p 12

[Editorial: "A Deadline To Meet"]

[Text] With just 50 days remaining to the "final" deadline for the conclusion of the General Agreement on Trade and Tariffs (GATT), the prognosis does not look good. Whichever way one looks at it (GATT chief Peter Sutherland once recommended that we should look at it as "a half full glass rather than half empty"), more pessimism than optimism is the prevailing sentiment. The longstanding squabble on farm subsidies between the United States and France remains set to deadlock the agreement.

Leadership from the major world players, who in this instance are the very culprits that threaten to bury the talks under an avalanche of non-accommodation, is badly needed to kickstart the negotiations. "Our position remains absolutely unchanged," was the brusque U.S. response to France's insistence on renegotiating a deal between the European Community and the U.S. on cutting farm production and subsidies. France points out that it has the legal right to veto the accord if necessary, but adds charitably "let's not imagine the worst. The veto is a possibility that we are offered...." Although Japan remains firm on the rice issue, Sutherland is convinced about Japan's commitment to the talks. The final responsibility for the fate of the talks lies not with Japan but the U.S. and EC, he says.

Failure to conclude the round as everybody knows, would be bad news for world trade in the current preoccupation with building blocs and trade wars, nationalist resurgence and protectionist tendencies. It could produce a "damburst on many issues", says Sutherland with some warning that failure could lead to a return of the 1930s depression. The top executives of the International Monetary Fund and the World Bank have issued similar doomsday warnings. The number of unemployed in industrialised countries has grown to 3 million strong this decade with such chronic unemployment coinciding with increasing xenophobia and parochialism. Total world growth has slowed from four percent in the 1970s to a forecast one percent in the 1990s. Forecasts are that an Uruguay round will inject an extra U.S.\$150 billion to U.S.\$200 billion into the world economy within a span of 10 years and create jobs worldwide.

With so much at stake, the question is how the world can be held to ransom by farmers who in the process make a mockery of the rich nations' promise that free trade will lead to new riches and more jobs worldwide. As the deadline nears, efforts to conclude the talks are reportedly tense and "rigid". However much the EC has tried to deflect attention to other GATT disputes, the point remains that some of its partners are, in the words of John Major, "...playing with fire". When the world's giants clash, it is the small countries who get caught in the middle.

These countries would have only a slim chance of surviving in the new global economy.

Perhaps, the rest of the world is supposed to lap up the morsel of hope from the French Prime Minister when he said that "in negotiations, it's the last two weeks that count". The Commonwealth ministerial mission, which also comprises Malaysia, to urge the key participants to reach final agreement will hopefully be able to achieve some breakthrough. But, as Sutherland points out, "we need a breakthrough now. We await urgent moves by the U.S. and the EC to demonstrate leadership..." Practising brinksmanship when so much of the world depends on the outcome is hardly an act of leadership.

Six New Oil Refinery Projects Announced

*BK3010043393 Bangkok BANGKOK POST in English
30 Oct 93 p 24*

[Text] Malaysia yesterday unveiled six new oil-refinery projects with substantial capacity for exports in a move designed to replace Singapore as an ASEAN oil-refining centre. Eng Ku Ainan, a senior executive of Malaysian state oil company Petronas, made this announcement to executives attending the Pan-Asian Refinery Conference organised by the Centre for Management Technology.

The Malaysian government has given approval for four refinery projects with crude distillation capacity totalling 450,000 barrels per day, Ms Eng said. In addition, Petronas will build two 100,000 b/d [barrels per day] refineries at Malacca and is also evaluating a plan to expand its Kertih refinery by another 10,000 b/d to 40,000 b/d. These plans, estimated to cost as much as US\$10 billion, would bring the country's total refining capacity to 915,000 b/d by the end of this decade.

"This will be more than enough for local consumption and will enable the country to compete with Singapore as a refining centre in the region," Ms Eng said.

According to Petronas, Malaysia's petroleum products demand is expected to rise from 285,000 b/d in 1992 to 325,000 b/d in 1995 and to 441,000 b/d in the year 2000. The completion of additional capacity from Petronas' Malacca and Kertih by mid-1994 will increase Malaysia's refining capacity to 343,000 b/d.

The four other new refinery projects are sponsored by international oil companies including Elf Aquitaine.

Projected demand for petroleum products by both the domestic Malaysian market and the Asia Pacific market is strong and therefore the products from the new refineries should find ready markets, Ms Eng said.

On the expected scarce capital for large-scale projects such as oil refineries, she said Malaysia is optimistic that Petronas would be able to find the money.

Cambodia

Delegation Leaves for Beijing To See Sihanouk

*BK3110060493 Phnom Penh National Voice of
Cambodia Radio Network in Cambodian 0430 GMT
31 Oct 93*

[Text] At 0840 on the morning of 31 October, a high-ranking delegation of the National Assembly and of the royal government led by His Excellency [H.E.] Chea Sim, chairman of the National Assembly; Prince Kromluong Norodom Ranariddh, first prime minister, and his wife; H.E. Hun Sen, second prime minister of the Royal Government of Cambodia, and his wife; and H.E. Samdech Son Sann, doyen of the National Assembly; left on a special plane for the capital of the PRC, Beijing, to

present wishes to His Majesty King Norodom Sihanouk Varaman and ask the king to sign documents adopted by the National Assembly.

Seeing the delegation off at Pochehtong airport were H.E. Loy Simchheang, first vice chairman of the National Assembly; H.E. Son Soubert, second vice chairman of the National Assembly; H.E. Sar Kheng, deputy prime minister and interior minister; H.E. Keat Chhon, state minister; H.E. Chem Snguon, state minister; and their excellencies ministers, state secretaries, officials of the royal government; members of the National Assembly; and many members of the Cambodian People's Party.

The PRC ambassador was also present.

Ranariddh Receives Chilean Special Envoy

*BK3010092093 Phnom Penh AKP in English 1015
GMT 29 Oct 93*

[Text] Phnom Penh AKP October 29—Samdech Kromluong Norodom Ranariddh, first prime minister of the royal government of Cambodia, has received here recently Jaime Lagos Eraza, special envoy of Chilean Government.

Mr. Jaime, who is also ambassador of Chile in Malaysia, congratulated Prince Ranariddh on his appointment to the post of First Prime Minister and expressed firm conviction that under his direction the Cambodian people would live in peace and prosperity.

In reply, First Prime Minister warmly greeted Mr. Jaime's role as special representative of Chile to the Kingdom of Cambodia and described Mr. Jaime's appointment as a contribution to consolidating and developing the friendship relations and cooperations between the two countries.

He also informed his guest of the current situation in Cambodia, particularly after His Majesty Norodom Sihanouk's accession to the Cambodian throne.

New National Assembly Commissions Approved

*BK2910074193 Phnom Penh AKP in French 0426 GMT
29 Oct 93*

[Text] Phnom Penh 29 Oct (AKP)—Nine [as received] commissions, made up of seven to nine members, were approved by secret vote by the National Assembly at its first session, first legislature, on the morning of 28 October.

The commissions are in charge of the defense of human rights and petitions, finance and banking, economy, planning, investment, agriculture, rural development and environment, interior, national defense, investigation, foreign affairs and international cooperation, legislation, education, culture and tourism, health, welfare, women's affairs, public works, transport, post and telecommunications, industry, energy, and trade.

The National Assembly session was presided over by the newly elected chairman, Mr. Chea Sim, in the presence of 109 deputies. Nine deputies were absent for health reasons or because of attending to missions elsewhere.

The members of the commissions are deputies from three political parties.

On the occasion, Chairman Chea Sim also signed documents related to internal regulations and procedures of the National Assembly.

Prospects for KR Joining Government Viewed

BK3010102193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 29 Oct 93

[Commentary: "Is the United States Really Softening Its Attitude?"]

[Text] More than ever before, the Khmer Rouge [KR], an extremist Marxist group in Cambodia, has been receiving leniency, breathing space, and room to maneuver to return to society and the nation. Although this group rejected and made threats during the election, and criticized the Royal Cambodian Government [RCG] as puppets and semi-puppets, it still insists on the role of government adviser.

With a flexible attitude and implementing the national reconciliation policy of His Majesty Norodom Sihanouk Voraman, Prince Kromluong Norodom Ranariddh's has said that he will meet with Khieu Samphan for talks at the latter's proposal. In the past, the prince himself, along with His Excellency [H.E.] Hun Sen, had sent letters proposing that the Khmer Rouge recognize and abide by the constitution, recognize the RCG, hand over the zones they control, and include their troops under the RCG administration. This is to end the Cambodian problem and instability in society and the nation.

A Clinton administration official recently told the U.S. Congress that the United States has never rejected the possibility that the Khmer Rouge could be brought into the new Cambodian Government. The State Department official in charge of Asia and Pacific Affairs said this following a recent statement by Prince Kromluong Norodom Ranariddh, who said peace and security in Cambodia cannot be achieved if the Khmer Rouge are left outside the solution to national affairs.

The United States used to be resolute in opposing the inclusion of the Khmer Rouge into the government. It even told Cambodian leaders in the Provisional National Government of Cambodia that the United States and the international community will find it difficult to provide aid to Cambodia if the Khmer Rouge are part of the country's legitimate government.

Therefore, if the American stance has really changed, as has been expressed in the statement by this U.S. official, the Khmer Rouge presence in a position within the RCG

will no longer face any serious obstacles. What remains now is the attitude of the Khmer Rouge themselves and what they should do to be suited to a position that the royal government will agree to give them.

Local and foreign observers will continue to follow the situation to see whether the Khmer Rouge can really return to society and the nation so that the suffering and pain of war of the Cambodian people will end. This is because when H.E. Chea Sim was elected National Assembly chairman, the Khmer Rouge radio carried quite a few insults.

The Cambodian people will certainly have peace. The country and nation will also be able to progress if war and insecurity in towns and the rural areas end definitively through genuine reconciliation among Cambodian leaders of all political tendencies.

Armed Forces' 24 Oct Activities Reported

BK2910085193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 28 Oct 93

[Text] According to the Third Department of the Khmer Royal Armed Forces [KRAF] General Staff, the Democratic Kampuchea [DK] forces have been prepared to step up offensive attacks on the KRAF especially in Siem Reap-Oddar Meanchey, Preah Vihear, and Battambang Provinces.

The facts are that in Siem Reap-Oddar Meanchey Province on 24 October, elements from the 415th DK division regrouped and launched attacks in areas south of Srei Snam District and west of Route 68 with the aim of destroying the route and blowing up bridges. And on 24 October, DK troops abducted two of our combatants from Sre Noy area.

On the same day in Preah Vihear Province, DK troops launched a three-pronged attack and fired DK-82 and 12.7-mm shells on Choam Khsan District seat, setting on fire 40 houses and damaging some materials. In the meantime, our KRAF in the area counterattacked, forcing them to retreat.

In Banteay Meanchey Province on 24 October, the DK forces evacuated villagers from a center to the Mak Hoen camp, but some of the evacuees were able to flee to Kop and Nimit villages.

In Battambang Province on 24 October, DK troops planted many mines along a stretch of railroad at Chrouy Sdau commune in Battambang District. The mines blew up a train traveling from Battambang town to Sisophon, hurling the locomotive 40 meters away from the rail track and turning some wagons upside-down. As a result, 20 meters of rails were damaged, 10 passengers were killed and another wounded, a train worker was killed and another wounded, and some materials were lost or damaged.

The same source pointed out that the DK troops planned three kinds of activities to spoil our people's enjoyment during the celebration of the National Independence Day and other festivals: 1) they will intensify terrorist acts at various localities so as to create anarchy and disorder; 2) they will step up thievery and armed robbery; and 3) they will send out their men to hurl grenades or plant mines to destroy roads and bridges, especially in Phnom Penh.

As for our KRAF, they have continued to use their right to defend themselves and the areas under their control. They have also paid attention to motivating DK soldiers and officers to return to the national fold. For instance, using their right of self-defense, the 4th battalion and the 43d regiment stationed in Sot Nikom District of Siem Reap-Oddar Meanchey Province killed two DK soldiers and seized one firearm. On 24 October, our forces at Sre Noy welcomed back five returnees, with three rifles, deserting from the 980th DK division.

In Kompong Cham Province, our KRAF—in their self-defense operations in Chamka Leu, Memot, and Kang Meas Districts—killed eight DK soldiers and received a returnee who brought along four guns and some materials.

Khieu Samphan Sends Message to King Sihanouk

BK2910032193 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Oct 93

[Message from Khieu Samphan, chairman of the Party of Democratic Kampuchea, to His Majesty King Norodom Sihanouk; dated 28 October—read by announcer]

[Text] To His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia.

Revered Majesty: I would like to be permitted to inform Your Majesty about the serious situation facing our country and nation at present. Although it has been shielded under this or that appearance, the recent event was conspicuously a coup d'état to seize power and is in direct opposition to Your Majesty the King, the new Constitution, and the Kingdom of Cambodia's national reconciliation, national unity, independence, and peace. Those staging this presumably legal coup d'état are the Western alliance led by the United States and the communist Vietnamese along with the power structure of Chea Sim and Hun Sen, who are supported by the communist Vietnamese and who have firmly assumed control over the Army, the police, and the civilian administration from top to bottom since 1979. They have arranged the appointment of Chea Sim as assembly chairman—this is in preparation for him to become the head of state legally and automatically; Tie Banh as controlling national defense, meaning the Armed Forces; and Sar Kheng as being in charge of interior and security, meaning the police. And Hun Sen, in appearance, is the second prime minister. But in reality he is in control of

99 percent of the new government. As for Prince Krom luong Norodom Ranariddh and the National United Front for Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC], although they constitute the prime minister, ministers, or people's representatives respectively, they can do nothing because on the one hand, they have no forces and, on the other, they are stuck in the iron hands of the state authorities owned by the communist Vietnamese and the alliance.

In sum, the communist Vietnamese are in control of the assembly, state authorities, Army, police, and administration from top to bottom, and have gone as far as playing the role of head of state.

Before 1970, the United States opposed the neutral and peaceful policy of Your Majesty and the Cambodian nation and people. And at present the communist Vietnamese and their cronies, as well as the alliance, are against the policy of national reconciliation, national unity, and independence of Your Majesty and the Cambodian nation and people.

I believe that the current situation in our country does not differ from that in Laos where the communist Vietnamese are in firm control of the state authorities, both at the central and local levels, especially via the 4 million Vietnamese nationals who have resettled in that country. According to this illustration, our country will be turned into a second Kampuchea Kraom by a new form of legality, and this is not different from the first Kampuchea Kraom which was legalized by French colonialism. So if this is the case, our nation and race will completely collapse and disappear for certain.

Somehow, I would like to be permitted to inform Your Majesty that through historic experience, our nation and people will certainly rise up against those warmongers just as they struggled against the invaders and their cronies after the 18 March 1970 coup d'état and as they have carried out the struggle against the communist Vietnamese aggressors and their cronies since 1979.

Our entire nation and people need Your Majesty, the King Father of the nation, to hold up the banner of royal crusade to save the nation and lead it and the entire people toward achieving the policy of national reconciliation and unity and toward unifying the entire and all national forces in order to solve all the problems, large and small alike, of the nation.

As for the Party of Democratic Kampuchea [PDK], I would like to be permitted to inform revered Your Majesty that it has constantly and unwaveringly maintained its stance and responsible duty to defend the Cambodian nation, people, and race. The PDK continues to follow Your Majesty, the King Father of the nation, in keeping with your policy of national reconciliation and salvation.

I would like to be permitted to bring—with a sense of responsibility for the destiny of our Cambodian nation, people, and race: the spirit of loyalty; and the supreme

confidence in Your Majesty—to your knowledge the aforementioned significance.

Availing myself of this opportunity, I would like to pay my respects and express best wishes to Your Majesty. May you recover gradually and quickly so you can be the cool shade for your children throughout the Kingdom of Cambodia. Along with this, I would also like to express best wishes to the revered princess royal consort as well.

Your Majesty, please forgive me for any inconveniences.

[Dated] 28 October 1993

[Signed] Khieu Samphan, chairman of the Party of Democratic Kampuchea

Khieu Samphan Greets Sihanouk on Birthday

BK3010073593 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Oct 93

[Birthday Message from Khieu Samphan to King Norodom Sihanouk; dated 28 October—read by announcer]

[Text] Greetings to His Majesty Norodom Sihanouk Varaman of the Kingdom of Cambodia, through His Excellency Chan Youran.

Respected King: On the occasion of your solemn coming birthday, I, on behalf of cadres, male and female combatants, and your children in the Party of Democratic Kampuchea, ask for permission to greet and convey best wishes to the revered king. May he recover quickly from illness and enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment, so that he will remain a cool shade for all his children in our entire Kingdom of Cambodia.

Your Majesty, please accept my sentiments of most profound respect and affection.

Please forgive me for any improprieties.

[Dated] 28 October 1993

[Signed] Khieu Samphan, PDK chairman

Laos

North Korean Delegation Arrives 28 Oct

BK2910120593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Oct 93

[Text] The delegation of the Lao Front for National Construction [LFNC] led by Maisouk Saisompheng, chairman of the LFNC Central Committee, and the delegation of the DPRK Democratic Front for the Unification of the Fatherland [DFUF] led by its chief secretary, (Li Hua-din), held consultative talks in Vientiane on the afternoon of 28 October on the relations and cooperation between the two organizations. At the meeting, the heads of the two delegations informed each

other of the achievements made by their respective organizations and successes in the socioeconomic development in each country. The delegations exchanged views on bilateral cooperation in the immediate future and on a long-term basis, aimed at contributing to further strengthening the friendly relations and cooperation between the parties, governments, and peoples of Laos and Korea, especially between the LFNC Central Committee and the DPRK DFUF.

Also attending the talks were Chang Yong-chun, DPRK ambassador to Laos, and a number of high-ranking authorities of both sides.

The DPRK DFUF delegation is paying an official friendship visit to Laos from 28 October to 2 November. During its stay, the delegation will hold a working meeting with the LFNC leadership, pay courtesy calls on Lao leaders, and visit production and cultural establishments in Vientiane Municipality and Vientiane and Luang Prabang Provinces.

Leaders Receive Thanks From PRC Counterparts

BK2910074993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Oct 93

[Text] Recently, Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister; Comrade Nouhak Phoumsavan, state president; and Comrade Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], received messages of thanks from Comrade Jiang Zemin, general secretary of the CPC Central Committee and state president; Comrade Li Peng, prime minister; and Comrade Qiao Shi, chairman of the Standing Committee of the National People's Congress of the PRC. The message reads as follows:

On behalf of the CPC, the government, the National People's Congress of the PRC, the Chinese people, and in our own names, we would like to express sincere thanks and convey best wishes to you, comrades, and through you to the LPRP, the government of the LPDR, and the Lao people for the greetings message that you sent to us on the occasion of the 44th founding anniversary of the PRC.

Army Officers Meet Vietnamese Counterparts

BK2910070993 Vientiane Vitthayou Hengsat Radio Network in Lao 2330 GMT 27 Oct 93

[Text] Yesterday, the second day of a visit to Laos by a delegation of the General Political Department of the Vietnam People's Army [VPA], the VPA delegation held talks in Vientiane with a delegation of the General Political Department of the Lao People's Army [LPA]. Attending the talks on the Lao side were Comrade Lieutenant General Siphon Phalikhan, member of the Lao People's Revolutionary Party Central Committee, deputy minister of national defense, and chief of the

LPA General Political Department: Comrade Major General Chanko Phimmason and Comrade Maj. Gen. Soulima Bounleut, deputy chiefs of the Army General Political Department; along with comrade chiefs of the other departments concerned. Attending on the Vietnamese side were Comrade Lt. Gen. Le Kha Phieu, member of the Communist Party of Vietnam [CPV] Central Committee and chief of the VPA General Political Department; Comrade Maj. Gen. (Le Hai), deputy chief of the VPA General Political Department; and Comrade Maj. Gen. (Vu Xuan Dinh), chief of the Foreign Relations Department attached to the SRV Ministry of Foreign Affairs; along with comrade members of the VPA General Political Department delegation.

The talks proceeded in an atmosphere of profound, intimate friendship. Both delegations of the LPA and VPA General Political Departments discussed and assessed the international and regional situations. They also informed each other about the performance of party and political tasks in their respective Armies in each stage. They then discussed the direction and plan of cooperation and mutual assistance in the sphere of party and political work in the ranks of the Armies in the next stage with a view to enabling the Army of each country to successfully fulfill its duties and fruitfully consolidate and strengthen the special solidarity and all-around cooperation between the two countries and two Armies of Laos and Vietnam.

Assembly Chairman Receives SRV Delegation

BK2910050593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Oct 93

[Text] Yesterday, Saman Vi-gnaket, chairman of the National Assembly, received in Vientiane a delegation of the SRV Supreme People's Prosecution Institute led by (Le Van Dao), chief prosecutor. The National Assembly chairman highly assessed the visit to Laos by the Vietnamese chief prosecutor and his delegation. The visit was aimed at exchanging technical experiences with a view to further enhancing and strengthening relations and cooperation between the two countries, in particular between the two prosecution institutes.

National Assembly Chairman Saman Vi-gnaket welcomed the delegation and wished it success.

The talks between the guests and the host proceeded in a friendly atmosphere. Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to Laos, also attended. The SRV delegation began the friendship visit on 24 October and left for home on 29 October.

Memorandum on Swiss Aid Signed 28 Oct

BK3010081193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 30 Oct 93

[Text] A memorandum on the Swiss Government's gratis aid totaling 15 million francs, or more than \$9.8

million, to Laos for the implementation of an educational quality development project was signed in an official ceremony held at the Education Ministry in Vientiane on 28 October. Signing for the Lao Government was Mrs. Bounpheng Mounphosai, deputy minister of education, while signing for the Swiss side was (Brad Tolez), ambassador extraordinary and plenipotentiary of Switzerland to Laos. The signing ceremony was held in the presence of high-ranking cadres from the various sectors concerned.

According to the memorandum, the money will be used for implementing a project aimed at raising the standard of educational quality throughout the country. It will be used particularly in training teachers and improving significant work in the educational field. This project will be implemented between 1993 and 1999. The aid is in line with the cooperation program which was signed on 24 September between the Lao Government and the Swiss Organization for International Development. The program is jointly sponsored by the Governments of the Swiss Confederation and Norway. This is the second aid program that the Government of the Swiss Confederation has granted to Laos for developing educational work. Four years ago, the Swiss Government also rendered aid to Laos under a project for the Vientiane polytechnic college, a project which has now been implemented effectively.

Philippines

Romulo on Chinese Arms Build-Up in Spratlys

BK0111035293 Quezon City MALAYA in English 28 Oct 93 p 3

[By Butch Franco]

[Text] Foreign Secretary Roberto Romulo yesterday allayed fears on the arms buildup of China in the disputed islands of Spratlys, saying it is just a "modernization process" that country is going through. He added that China is probably the fastest-growing economy in the world, with tremendous economic potential aside from having the largest population worldwide.

Romulo said he recently met with Chinese foreign officials in New York who assured him that China has no "hegemonic tendencies" in Asia, particularly in developing countries like the Philippines. He said he has "no reasons" to believe those assurances, but cautioned anyone who is bent on passing judgements or giving any labels to China.

What's important, he said, is to discuss whatever concerns the Philippines has about China in a similar spirit as the Manila Declaration in the South China Sea.

Romulo described, however, as "regrettable", the underground nuclear testings which, according to reports, are being conducted by China.

In a statement, the Embassy of the People's Republic of China said the Chinese government has always exercised "utmost restraint" on nuclear testing and that the number of nuclear tests it has conducted is limited.

Earlier, the Philippines renewed its call against military buildup in the South China Sea following reports that China was constructing an airstrip in the Paracels to reduce the flight distance of Chinese warplanes in going to the Spratlys.

The Spratlys is being claimed wholly or in part by China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.

The Manila Declaration issued during last year's foreign ministerial meeting of the Association of Southeast Asian Nations urged claimant countries to exercise restraint in the disputed territories.

Misuari Sees Peace Talks as Asian Model

BK2910082593 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 29 Oct 93

[Text] Nur Misuari, Moro National Liberation Front [MNLF] chief, expressed hope today that if the ongoing peace talks in Indonesia between the government and the MNLF are successful, it will pave the way for the resolution of conflicts in the problem areas of Asia. The foreign minister of Indonesia, who at the same time presides over and plays a major role in the success of the peace talks, also agreed with Misuari's statement. Among the trouble spots in Asia are Cambodia, Sri Lanka, and the new republics that were once members of the Soviet Union.

A peaceful solution to the Mindanao problem will be a good example for the other states to resolve their conflicts through peaceful means.

Ramos Orders New Cordillera Organic Act

BK2910055193 Manila BUSINESS WORLD in English 27 Oct 93 p 11

[By Arnold E. Belleza]

[Text] After the Cordillera Organic Act was rejected three years ago, Malacanang is again working on the creation of an autonomous region in that part of the country.

President Ramos yesterday ordered the drafting of a bill creating a Regional Consultative Commission (RCC) for the Cordilleras to assist Congress in crafting a new organic act.

Health Secretary Juan Flavier, Cordillera Cabinet officer for regional development, Assistant Executive Secretary Frumencio Lagustan, and Presidential Assistant Joseph Alabanza were given until 30 November to submit the draft.

Chief Presidential Legal Counsel Antonio Carpio said the creation of the RCC by congressional action is

provided under the Constitution, and states that any organic act should be enacted by Congress with the help of the RCC.

It will be recalled that on 23 October 1989, Congress passed Republic Act No. 6766, or the Organic Act for the Cordillera Autonomous Region.

PLEBISCITE

A plebiscite was held 30 January 1990 in the provinces of Benguet, Mountain Province, Ifugao, Abra, Kalinga-Apaya and Baguio City. But only Ifugao approved the Act.

The Supreme Court subsequently ruled that Ifugao cannot validly constitute the Cordillera Autonomous Region. Thus, the area is now known only as the Cordillera Autonomous Region. Following the High Court's ruling, Malacanang ordered further consultative meetings on regional autonomy.

The meetings, attended by Messrs. Flavier and Alabanza, members of the Cordillera Executive Board, Cordillera Regional Assembly, Cordillera Bodong Administration, congressmen and sectoral representatives, arrived at a consensus on the creation of the RCC.

Thailand

NSC Chief Reiterates Stance on Libyan Factories

BK3010050293 Bangkok Radio Thailand Network in English 0000 GMT 30 Oct 93

[Text] Thailand has no policy to send workers to work in chemical weapons factories in Libya. Secretary General of the National Security Council General Charan Kunlwanit made the statement following a report by the United States saying that three Thai companies have sent some 200 Thai workers to work in Libya's weapons factories.

Gen. Charan said an investigation will be made into the case to find out how these workers travelled to Libya. To reaffirm that Thailand will not support Thai workers to work in weapons production factories as the country's policy is based on humanitarian grounds, Gen. Charan said Thailand is in the process of amending a law in line with the world convention on nonproliferation of chemical arms.

Government Urged To Heed U.S. Call

BK2910103193 Bangkok THAI RTT in Thai 29 Oct 93 p 3

[Commentary by Chalam Khio: "A Warning From the United States"]

[Text] The chaotic situation died down suddenly after Police General Prathin Santipraphop was appointed acting director general of the Police Department.

Everyone knows that the problem is still simmering since all related movements have gone underground.

The dismissal of Police Gen. Sawat Amonwiwat has become a political controversy which has gained more momentum from the suspension from duty of Phatchara Itsarasena na Ayutthaya, a former teacher of Prime Minister Chuan Likphai.

A well-informed source noted that there will be two scenarios should any political change now take place. Either the New Aspiration Party leaves the coalition or General Chawalit Yongchaiyut forms a new government and becomes the prime minister himself.

This is the chance to say good bye to the 193-vote coalition for both the Democrat and New Aspiration Parties. It is only a question of which party will make the first move.

Because the people involved have chosen not to make their moves known to the public, it would be too risky to talk about the controversy at this moment. Therefore, I would rather turn to a major world issue with which Thailand has unintentionally become embroiled. The problem might not have any effect now, but one day it could cause serious trouble for Thai people throughout the entire country.

The world is very intrigued by the report that the U.S. Government has asked the Thai Government to probe the sending of Thai workers to Libya by some local construction companies. This is something we never knew before. We did know that Thai workers are capable of constructing underground tunnels for biochemical weapons factories. Thai workers can actually do such big jobs. They are now constructing underground tunnels at three different places.

It is apparent that the Thai Government is paying little attention to the U.S. warning. A few weeks ago, Wirot Sakunmuthida, owner of W & M Company, was arrested on the charge of illegally sending Thai workers abroad but has already been released. That is all the Thai people know about the man named Wirot Sakunmuthida.

However, this is still a big issue for the United States because al-Qadhafi is regarded by all the Americans as their No. 1 enemy. The United States once even sent a squadron of planes to bomb al-Qadhafi's house just to embarrass him in the eyes of the world.

The United States believes producing biochemical weapons violates international law and constitutes a threat to the world in general. I personally believe that the United States will one day do something to Libya.

If that happens, Thailand will be in big trouble. According to some incomplete information from the Foreign Ministry, there are approximately 25,000 Thai workers in Libya. The exact number of those working for the underground tunnel projects is still unknown.

If the United States attacks Libya, Thai workers will also be killed, and the Thai Government will not be happy with that.

Will Labor Minister General Chawalit Yongchaiyut not do anything about this since the United States has already warned us? Japan and Germany have already forced their companies to quit Libya's underground tunnel projects while we simply do nothing.

It will not be good for Thailand if the world believes we are colluding with Libya.

Chuan To Attend APEC Meeting in Seattle

BK2910143093 Bangkok Army Television Channel 5 in Thai 1200 GMT 29 Oct 93

[Text] Aphisit Wetchachiwa, spokesman for the Prime Minister's Office, told reporters at the Government House that Prime Minister Chuan Likphai will make another visit to the United States from 17 to 23 November to attend the economic meeting of APEC [Asia Pacific Economic Cooperation] leaders in Seattle. The spokesman added that the meeting will discuss several issues, especially economic problems and prospects for the 21st century. The spokesman disclosed that the prime minister is scheduled to hold a meeting with the U.S. President, during which they will discuss cooperation between the two countries.

Prasong Meets With German Defense Minister

LD3010101493 Hamburg DPA in German 0523 GMT 30 Oct 93

[Text] Bangkok (DPA)—Defense Minister Volker Ruehe (CDU) [Christian Democratic Union] met Thai Foreign Minister Prasong Sunsiri in Bangkok this morning. The main issues discussed were the tension in Europe after the collapse of the Soviet Union and the situation in Southeast Asia.

Ruehe informed the foreign minister about the ongoing civil war in Bosnia and the increasing tension in the former Soviet republics. In return, Prasong stressed that the security situation in Southeast Asia has eased noticeably since the peaceful transition in Cambodia.

"We no longer have many problems in Southeast Asia," the Thai minister said. The only cause for concern was that there continued to be about 10,000 armed Khmer Rouge rebels in Cambodia who controlled about a fifth of the country. The government in Phnom Penh had recently again accused Bangkok of allowing the Khmer Rouge to withdraw to safe border areas in Thailand after attacks.

On the situation in Myanmar [Burma], Prasong said that Thailand "declined to intervene in internal affairs." The military government in Rangoon is accused of serious violations of human rights by Western countries.

During his visit to Asia, Ruehe, who met his Thai counterpart Wichit Sukmak on Friday [29 October], intends to become informed about security problems in the region as well as about the structure and training of the forces. After a schedule of sightseeing, he will fly to South Korea on Sunday. The last leg of his trip is Japan.

Russia Reaffirms Ability To Pay Rice Debt

BK3010020593 Bangkok BANGKOK POST in English 30 Oct 93 p 3

[Text] Russia has reaffirmed that there will be no problem in repaying Thailand \$60 million for the rice the country bought and the delay was only due to the political crisis in Moscow at the beginning of this month. Deputy Prime Minister Amnuai Wirawan said yesterday.

The confirmation was made by deputy chairman of the Russian Federation for National Defence G. Yanpolskiy and Russian Deputy Finance Minister A. Astakhov who are leading a delegation to Thailand. They met with Mr Amnuai yesterday.

Mr Amnuai said Thailand has asked that part of the payment be made in cash so that negotiations on other trade deals could proceed otherwise the Thai government will have a hard time explaining the rice deal with Russians to the people.

"They understood and agreed to fully cooperate," Mr Amnuai said. He said he told the delegation that Thailand understood the reason behind the delay but asked that part of the repayment be made in cash before the elections in Russia scheduled at the end of this year.

Mr Amnuai said the Russian delegation will also meet with the Thai transport and communications minister, the commerce minister, the defence minister and commanders of the three armed forces. He said Thailand wanted to buy train bogeys and rails from Russia.

Mr Amnuai said the delegation also offered to sell Thailand a wide range of weaponry but he told them that that they would have to discuss this with the armed forces.

Mr Amnuai said Army Commander-in-Chief Gen Wimon Wongwanit, who has already visited Russia, told him that there were a few items which the Thai military could buy from Russia.

Asked about prospects for rice sales to Russia next year, Mr Amnuai said it was not discussed but he told the Russian delegation that rice will be in short supply and that even the United States had warned about this. Therefore the scope for purchase will be limited, especially since Japan is expected to buy more from Thailand because American rice is more expensive, he said.

Chawalit Warns of Drug Flow to Austria

AU2910172693 Vienna Oesterreich Eins Radio Network in German 1100 GMT 29 Oct 93

[Interview with General Chawalit Yongchaiyut, chief of the narcotics agency, by Karl Jirkowski in Bangkok; date not given—recorded; Chawalit speaks in English with superimposed German translation]

[Excerpt] [Jirkowski] General Chawalit, chief of the Thai drug authority, says in the interview that the drug problem is under control in Thailand. The cultivation of poppy seeds and thus the production of opium in particular have decreased as a result of laws and international help. However, in the Golden Triangle of Thailand, Laos, and Burma the production of heroin has increased. Heroin is above all produced higher up. In Burma, Laos, and other neighboring countries of Thailand many laboratories for heroin production continue to exist, and production is very high.

Illegal drug trafficking still occurs by land, sea, and air to western Europe. As a result of the opening of the East Bloc, drug trafficking has also considerably increased on the Balkan route from Asia to Europe. Austria is right in the middle of this route.

In answer to the question of whether Austria will have more drug problems in the future, Chawalit says:

[Chawalit] I think Austria could be a target of the drug traffickers who take drugs across Austria to western Europe as well as who sell drugs in Austria itself. The reason is that illegal drug trafficking in eastern Europe has considerably increased. The East European people now also have the opportunity to travel to Asia, and many of these people are poor. They are now using the opportunity to become rich more quickly by taking heroin along. In the future, more drugs will be taken to and across Austria. This will result in major problems for the Austrian authorities, and it will also mean stricter border controls.

[Jirkowski] The cooperation between Austria and Thailand in combating drugs is very good, Chawalit says. However, many western European countries—for example, England, France, the Netherlands, Italy, and Germany, to mention but a few—have their own drug investigators in Thailand. So far, Austria has failed to station a drug investigator in its embassy. Other countries, such as Germany, have partly assumed this task. However, in talks with various drug investigators, Austria is criticized for not having a drug investigator of its own in Thailand.

Asked about this, General Chawalit answers with Asian diplomacy:

[Chawalit] Well, the liaison depends on the Austrian authorities, not on the Thai authorities. This is again a question of how many drugs are taken to and across

Austria. If the Austrians want to station a permanent drug investigator here in Thailand, they are welcome to do so. [passage omitted]

New Evidence Revives Saudi Jewelry Case

*BK3010015893 Bangkok BANGKOK POST in English
30 Oct 93 p 1*

[Text] Saudi Arabia has indicated it may restore full diplomatic relations with Thailand in the wake of Bangkok's ongoing efforts to resolve the jewellery theft controversy.

Riyadh made the gesture through Deputy Foreign Minister Surin Phitsuwan and Interior Permanent Secretary Ari Wong-Araya who paid a five-day unannounced visit to Saudi Arabia, after the Interior Ministry ordered the Police Department to revive the probe into the case on Monday.

Mr Surin and Mr Ari met top Saudi government leaders as well as Prince Faysal Bin-Fahd Bin-'Abd-al-'Aziz Al Sa'ud, the owner of the stolen jewellery, the sources said.

The deputy minister and Mr Ari explained to the Saudi officials the ongoing efforts in Thailand to resolve the theft case.

They also discussed relations between Thailand and Saudi Arabia which have been strained by the theft case and the murder of four Saudi diplomats in 1989 and 1990.

The Saudi officials expressed satisfaction with the efforts to find more suspects and to recover the jewellery, the sources said. They also indicated that diplomatic ties between Thailand and Saudi Arabia could soon be restored, the sources said.

Mr Surin said at the Foreign Ministry later yesterday that Thailand could expect some "good news" from Saudi Arabia soon but declined to elaborate on details. He said that Saudi Charge d'Affaires Muhammad Sa'id Khujah had submitted new information and evidence about the jewellery to the Foreign Ministry which could lead to the arrest of more people involved.

The new evidence had been forwarded to the Police Department and the Supreme Attorney-General's Office, he said.

In 1990 Thai police arrested a Thai worker, Kriangkrai Techamong, along with a large amount of jewellery he had stolen from the palace of Prince Faysal in Saudi Arabia in 1989.

A number of persons who had bought or been given the jewellery were also held by a special police team appointed to investigate the theft in Thailand.

The police action developed into a major controversy after Saudi Arabia complained to the Thai Government that not all of the stolen jewellery was returned.

The investigation team led by Pol Lt-Gen Chalo Koet-thet, then deputy commissioner of the Central Investigation Bureau, was ordered investigated and is standing trial in connection with the case.

A new police committee which investigated Pol Lt-Gen Chalo's handling of the theft case and probed the case later forwarded its findings to the Interior Ministry which appointed an ad-hoc panel to review the police report.

It was widely speculated at first that at least 10 more people, including police generals and their wives may have been involved in the pocketing of the recovered valuables but the Interior Ministry has failed to come up with any names.

Before his departure for Saudi Arabia with Mr Surin, Mr Ari summoned acting Police Department chief Pratin Santipraphop to a meeting and assigned him to revive investigations into the case, the sources said.

Interior Minister Gen Chawalit Yongchaiyut also told deputy permanent secretary Chaiwat Hutacharoen and ministry legal adviser Chairoek Disamnat to hand all official reports on the case to Pol Gen Pratin for use in the new investigation.

Mr. Ari yesterday declined to elaborate on the new evidence and information given by Mr Khujah but conceded that a new probe had to be made as a result. He said the ministry would leave the job of investigating the controversy to the police while limiting its role to monitoring progress.

"It's the duty of the Police Department to set up a new investigation team to undertake the probe," said Mr Ari who refused to say if he believed more valuables and suspects would be found in the new probe.

"This will depend on Pol Gen Pratin who will have to act quickly," he said.

Saudi Diplomat Defends Comments

*BK0111011193 Bangkok THE NATION in English
1 Nov 93 pp. 11, 14*

[Text] Saudi Arabian Charge d'Affaires Mohammad Sa'id Khujah yesterday hit back at the House committee on foreign affairs for its criticism of his handling of issues affecting bilateral relations, saying he is only doing his job and is not afraid of "small mosquitoes".

"I'm not afraid of small mosquitoes. I have to protect my country's interests," he told THE NATION.

Last Wednesday, House committee spokesman Sutham Saengprathum said the Saudi Arabian envoy's strongly-worded comments on television and in the press had tarnished the image of Thai bureaucrats, Thai people and the country as a whole, and could affect bilateral relations. The committee accused Khujah of breaching international diplomatic protocol and called on the

government to prevent a repetition of the incident. Khujah, however, remained unrepentant.

"Let me ask MP Sutham: Is Thailand a democratic country or not? Can't I say what I think in this country? The criticism that I breached a diplomatic protocol by stating my case about the jewellery theft is just pure nonsense," Khujah told THE NATION.

Khujah said the foreign diplomatic community in Thailand was amused by the House committee's statement.

"Just after MP Sutham made that statement last week, I attended a party to mark the National Day of Turkey and everybody at the function was laughing at Mr Sutham's remark. Most envoys in Bangkok have been following this (jewellery) case very closely, and they know what the true story is."

Khujah disclosed that he had submitted "all the evidence I have" on Oct 25 to Interior Permanent Secretary Ari Wong-Araya, who leads a probe into the alleged embezzlement by Thai police of stolen Saudi jewellery seized from a Thai worker who returned from Saudi Arabia in 1989.

Khujah also sent a letter complaining bitterly about the failure of the Ari committee to reach any concrete conclusion on the cases involving the alleged jewellery scam and the disappearance of a Saudi businessman three years ago.

"I made it very clear in the letter that we were very disappointed over the lack of progress in the investigation into these cases," he said.

Khujah said he had reported Sutham's comment to his government "and my government was rather angry at that".

"I can't possibly hold Thai police in higher respect than the Thais themselves do. I can't respect Thai police more than Mr Sutham does, can I?"

He also said: "I'm convinced more than ever before that the remaining jewellery which has not been returned to my government is still in Thailand and in the hands of certain people who are enjoying the loot while Thailand's image suffers badly."

Khujah said he'd had confidential meetings on the jewellery case with top officials from the Foreign Ministry and Interior Ministry, dating back to the time when Gen Chatchai Chunhawan was prime minister, but to no avail.

"When it was clear to me that I wasn't going anywhere with Thai officials I had no choice but to go to the Thai people by making public statements," he said. Khujah insisted that his criticism was "within the diplomatic scope".

"Like any Thai ambassador posted abroad, I have to defend the interests of my country," he said.

Khujah added emphatically: "I'm ready to die for my country to keep our head high. But if some Thais want to keep Thailand's status down, there isn't very much I can do. After all, this is not my country. It's yours."

Before Khujah's outburst yesterday, the Foreign Ministry over the weekend expressed confidence that Thailand's relations with Riyadh were improving.

Acting police chief Prathin Santhipraphop has said he will take over the investigation of the jewellery case "because the unsolved issue has tainted the image of the police and strained Thailand's relations with Saudi Arabia".

Peacekeeping Soldiers Return From Cambodia

*BK3010022393 Bangkok BANGKOK POST in English
30 Oct 93 p 6*

[Text] The first batch of 700 Thai soldiers who joined the United Nations peacekeeping duty in Cambodia returned to Thailand yesterday at the end of their 20-month mission.

The soldiers of the Second Thai Engineering Corps worked under the United Nations Transitional Authority in Cambodia (UNTAC) and helped repair airports, roads (Highways 5,6 and 10) and bridges in Battambang and Kampong Chnang, and assisted in mine-clearing operations.

Another team of Thai Engineering Corps is assisting Cambodia through the transitional period under a bilateral arrangement.

The corps affiliated to UNTAC also helped distribute drinking water and food to Cambodian families and provided medical aid to sick people.

Commander of the 2nd Engineering Corps Special Task Force, Col Thanadon Surarak, said there were no casualties among Thai soldiers except for some minor accidents.

Commenting on complaints by Thai soldiers regarding unpaid allowances, Col Thanadon said he had requested the Thai government to arrange for advance payment to the soldiers from the reserve fund. He said soldiers from other nations also faced the same problem while working for UNTAC. He hoped UNTAC would refund the amount to the Thai government.

Sgt Chao Khamsanong, an ambulance driver, said he was part of the second batch of peacekeepers UNTAC deployed in Cambodia and he remained there for eight months.

So far, he has received only one month's allowance amounting to 21,700 baht and was still waiting to pick up the rest totaling 151,000 baht.

Prachin Buri Governor Banchong Kanthawiraut was yesterday on hand to welcome the returnees while Ban-teay Meanchey Governor It Loeu thanked and presented the Thai soldiers with flowers, fruits and gifts.

Lao Rebels Reportedly Using Temple as Base

*BK2910155793 Bangkok THE NATION in English
29 Oct 93 pp A1, A2*

[Text] The well-known drug rehabilitation centre at Wat Tham Krabok in Sarabun has been used by Hmong hilltribe rebels as a base to launch operations against the Laotian government, a Hmong leader claimed yesterday.

Phra Chamrun Phanchan, abbot of Wat Tham Krabok, last night rejected as "groundless" the allegation that his Buddhist temple had sheltered rebels seeking a separate homeland for the Hmong minority in Laos.

Meanwhile, National Security Council chief Charan Kunlawanit yesterday confirmed that authorities were screening the more than 10,000 Hmong residents at the Buddhist temple to try to separate drug addicts undergoing rehabilitation from alleged illegal immigrants.

"We're in the process of screening people at Wat Tham Krabok and we'd like to appeal to outsiders not to interfere," Gen Charan said.

The Hmong rebel leader, Wang Thai Pe, who carries an American passport, was arrested by Thai police in northern Thailand last month and presented to reporters at a press conference at the Supreme Command yesterday.

"The movement has been using Wat Tham Krabok as a coordination centre," said Pe who called himself a major general in the anti-Vientiane campaign.

Military intelligence sources said police were investigating reports that Wat Tham Krabok might have provided sanctuary to the rightwing rebels.

In May, Prime Minister Chuan Likphai reportedly ordered the Interior Ministry to investigate the presence of a large number of Hmong hilltribe people at the temple which security officials said could pose a threat to national security.

The prime minister's instruction was given at a meeting of officials from the National Security Council, Interior Ministry, Police Department and the Defence Ministry.

Security officials have expressed concern that if the Hmong population inside the Buddhist temple compound was allowed to grow unchecked, the hilltribe people might resist efforts by the authorities to evict them in the future.

The exact number of Hmong inhabitants at the Buddhist temple was not available.

Phra Chamrun, speaking to THE NATION in a telephone interview last night, said none of the 12,000

Hmong hilltribe people at his temple was in any way involved in the anti-Vientiane activities.

"We have never had this sort of people (Hmong rebels) with us. All residents of Wat Tham Krabok are unarmed civilians. To be precise, they are junkies and their families," Phra Chamrun said.

The abbot said he had heard of the reports about certain groups of Hmong hilltribe rebels carrying out anti-Vientiane operations, including sporadic ambushes and sabotage, from Thailand's northern provinces.

"I have heard this for more than 10 years. But I have yet to be convinced that these people (Hmong rebels) really exist," Phra Chamrun said.

Asked to comment on yesterday's Supreme Command press conference, the abbot said he did not wish to counter the accusation made against him.

"Let them say anything they want to say. But a word of caution here: the military will find themselves in a deadend if and when I decide to respond (to the charges)," Phra Chamrun said without elaborating.

"Government officials are like chameleons. They change their colours when the government changes its policy. Sometimes they are known to harass the people," he said.

Chamrun said of the 12,000 Hmong at his temple, 2,000 were drug addicts undergoing treatment and the rest were their family members. The abbot has on several occasions claimed that he wanted to keep these people at his temple even after they had completed rehabilitation because he did not want to see them go back to growing opium poppies again.

The Buddhist monk also insisted that although the majority of Hmong hilltribe people at his temple did not have official identification cards or certification of origin, all of them were born in Thailand and therefore should be entitled to Thai citizenship.

Military sources have estimated that about 800 armed rebels are still active in Lao territory across the border from northern Thailand.

The Hmong hilltribe people played a major role fighting alongside the US army against communist forces in Laos during the Indochina war. Elements of Thailand's security forces were, at least until recently supporting the Hmong rebels in Laos. But as Thailand's relations with its impoverished neighbour improve, this backing is being scaled down.

Pe, 47, said he had lived in California and arrived in Thailand in August last year with \$50,000 collected by former Hmong leader "General" Vang Pad from Laotians in the United States.

Vang Pao lives in a big house in California and extorted money from exiled Laotians to finance his campaign, Pe said.

"I was assigned to bring money twice to a field commander named Wang Seng Ka in 1991 and 1992," he said.

Diplomatic Ties With Marshall Islands Noted

BK2910122993 Bangkok Voice of Free Asia in Thai 1030 GMT 29 Oct 93

[Announcement from the Prime Minister's Office]

[Text] In compliance with the desire to promote the existing friendly relations between the Kingdom of Thailand and the Republic of the Marshall Islands, the Governments of the Kingdom of Thailand and the Republic of the Marshall Islands have agreed to establish diplomatic relations between their two countries from 29 October 1993 and to later exchange diplomatic representatives at the ambassadorial level.

[Dated] 29 October 1993

[Signed] Chuan Likphai, prime minister

Foreign Aid Allocated for Fiscal Year 1994

BK2910070693 Bangkok Radio Thailand Network in English 0000 GMT 29 Oct 93

[Text] The Thai Government has allocated a total budget of 247 million baht to provide economic and technical assistance to foreign countries during the 1994 fiscal year beginning this month.

The Thai aid program is designed to promote closer relations between Thailand and developing countries, especially Thailand's neighbors. It will also help related government agencies and the private sector in boosting exports, expanding Thai investments, and promoting tourism.

At the same time, the program will provide an opportunity for Thai academics to enhance their capability. The Thai aid program for developing countries is in the forms of scholarship, equipment, expert, seminar, and overseas training.

During the 1993 fiscal year ending last month, Thailand provided 927 scholarships worth 141.3 million baht to 40 developing countries. It also offered medical equipment worth 49 million baht to Indochinese countries. During the same period, a budget of three million baht was spent on the sending of Thai experts to Laos, Myanmar [Burma], Vietnam, and Cambodia.

Vietnam

Foreign Minister Nguyen Manh Cam Visits Russia

BK3010094293 Hanoi Voice of Vietnam in English 1000 GMT 28 Oct 93

[Text] Vietnamese Foreign Minister Nguyen Manh Cam is now on a visit to Russia. Mr. Cam met with the Russian Deputy Minister on Thursday and signed an agreement on cultural and scientific cooperation. The Vietnamese Minister also met with Russian commercial leaders.

Received by Russian Prime Minister

BK3010161593 Hanoi VNA in English 1610 GMT 30 Oct 93

[Text] Hanoi VNA Oct 30—Minister for Foreign Affairs [F.M.] Nguyen Manh Cam paid an official visit to the Russian Federation from Oct. 27-30.

While there, F.M. Nguyen Manh Cam was received by Prime Minister Viktor Chernomyrdin, who highly appreciated the achievements recorded by the Vietnamese people in their renovation of economy and external policy. Prime Minister V. Chernomyrdin stressed that the Russian side is ready to broaden and bring its cooperation with Vietnam to a new stage.

Earlier, F.M. Cam had a working session with Yuri Yarov, deputy prime minister and chairman of the Russian sub section of the Inter-Governmental Cooperation Committee, and talks with Foreign Minister Kozyrev.

After informing each other of the situation of their respective country and exchanging views on international and regional issues of common concern, they discussed about the bilateral relations, especially the economic and commercial cooperation between Vietnam and Russia.

On the prospects of cooperation between the two countries in the coming period, the two sides agreed to promote the cooperation in energy, in exploitation of oil and gas and natural resources, planting and processing agricultural products fishery and goods exchange.

The Vietnamese and Russian foreign ministers signed an agreement on cultural, scientific and technological cooperation and an agreement on travel of citizens of the two countries. They also signed a protocol on cooperation between the two foreign ministries and other documents aimed at promoting the long-term cooperation between Vietnam and Russia.

World Bank Vice President Kaji Visits

*BK3010060993 Hanoi VNA in English 0550 GMT
30 Oct 93*

[Text] Hanoi VNA Oct. 30.—World Bank [WB] Vice-President Gaustam S. Kaji and his party arrived here yesterday as guests of Governor of the Vietnam State Bank Cao Si Kiem.

Right after their arrival, the WB officials were received by Mr. Kiem who informed them of the renovation of Vietnam's banking service which aims to meet the demand for capital for national economic development. He stressed that with assistance from the International Monetary Fund (IMF), the Asian Development Bank (ADB) and the World Bank, the Vietnam State Bank would better discharge its functions in the new stage of development in the country.

The WB vice-president will have working sessions with leading officials of a number of Vietnamese ministries and institutions.

On Nov. 1, Vice-President Gaustam S. Kaji is expected to sign two development credit agreements: one of which bears on primary education and another on the restoration of portions of national Highway 1A, with a total sum of 228.4 million USD.

Received by Vo Van Kiet 30 Oct

*BK3010160393 Hanoi VNA in English 1600 GMT
30 Oct 93*

[Text] Hanoi VNA Oct. 30—Prime Minister Vo Van Kiet received here this afternoon World Bank (WB) Vice President Gaustam S. Kaji now on a visit to Vietnam to sign projects on financial assistance to Vietnam in 1993 fiscal year.

Prime Minister Vo Van Kiet welcomed the vice president the first highest ranking official of the WB so far, to Vietnam as a positive sign of the new stage in the Vietnam-WB relations. He said that the relations between Vietnam and the international financial and monetary community, especially with the WB, over the past months has seen positive changes, with the very important contribution of Vice President Gaustam Kaji. On behalf of the government and people of Vietnam, Prime Minister Vo Van Kiet expressed his thanks to the WB for its financial assistance in the two projects on upgrading National Highway 1 and primary education to be signed soon and the pending of loans to projects on agriculture, anti-malnutrition among children. The prime minister told his guest that as from 1984, Vietnam will consider social issues as important as economic issues.

The prime minister affirmed that on the basis of mobilizing to the utmost its potential, Vietnam will effectively use the capital funded by the WB as well as by the international financial community.

The WB vice president, for his part, brought out some proposals on capital use and management, WB's concern on the supply of fund for building both economic and social infrastructure, and the necessity of building investment project using capital sources in conformity with reality and Vietnam's steps of development.

WB has found out its partner, Vietnam, with full significance in funding, the WB official affirmed adding that WB will play an important role in meeting Vietnam's demand in both social and economic infrastructure. Vietnam's achievements over the past years have created confidence among the international community, including the WB.

Ties With World Monetary Institutions Viewed

BK3010134393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Oct 93

[Commentary by station editor Duong Quang Minh]

[Text] Recently, many high-ranking delegations of the biggest international financial organizations have visited Vietnam. The IMF was first with a delegation led by General Managing Director Michel Camdessus, who announced that approval had been given to SRV's first loan of \$230 million. Then, the Asian Development Bank, ADB, delegation led by President Kimimasa Tarumizu arrived to sign documents on gratuitous aid worth \$568,000. The ADB president also informed SRV of its decision to grant financial assistance to three projects worth \$260 million for this year and other projects in the future. This was followed by the World Bank delegation led by its vice president who granted Vietnam a loan of \$160 million.

In their commentaries, the RFI [Radio Francais Internationale], BBC, and VOA said the visits of the three biggest international financial institutions to any country in a given year is a significant event, as it rarely happens. For Vietnam, that occurred within a month. Apart from this, these financial institutions have decided to lend Vietnam up to \$1 billion.

Soon, a billion dollars in loans will be made available to Vietnam. This is the opening move to brighter prospects in ties between Vietnam and international monetary organizations. These ties will create favorable conditions for Vietnam to move ahead. They will also help induce other capital resource organizations such as the Paris and London financial clubs and other financial clubs in different countries that wish to provide credit to Vietnam to do so.

Why could we restore normal relations with important financial organizations such as the IMF, World Bank, and ADB? First, this is due to the renovation initiated by our party and state since the sixth national party congress that has been successfully implemented for seven years. We are not only the ones to attest to its success, as many politicians, economists, and foreign businessmen have welcomed it and given us their support.

IMF General Managing Director Camdessus once stated: The achievements recorded by Vietnam are obvious and encouraging. The IMF needs to support Vietnam so that it will have favorable conditions to carry out its work. That is very useful to Vietnam and the international community as well.

World Bank President Preston said: Initial results achieved by Vietnam in its renovation have brought ties between the World Bank and Vietnam closer. When ADB President Tarumizu arrived in Hanoi, he said: It is interesting to see the Vietnamese economy progressing healthily, especially its high development rate and efficient control of inflation.

It is necessary to affirm that our party and state policy to strengthen and broaden international relations is necessary and suitable to our national development and the world trend. The policy of making Vietnam a friend of all countries for peace, national independence, and social progress has helped us move closer to the international community in all fields and to progress quickly.

Reality has proven this. Before we could ask the IMF for a loan, we had to repay our old debt of \$140 million. The good thing is that our friends and many countries interested in cooperation and doing business in Vietnam knew that Vietnam is still poor and helped us to settle the debt. In Washington in late September, a group of countries held a meeting under the co-chairmanship of France and Japan with the participation of Australia, Switzerland, Sweden, Belgium, Canada, Finland, Austria, Germany, Italy, Netherlands, Luxembourg, Spain, UK, and so forth. These countries agreed to help Vietnam with \$55 million and a bridging loan of \$85 from the French External Commercial Bank, the Japanese Export Bank, and 16 other commercial banks. With their help, we paid IMF our arrears and were granted new loans. The dispatch of messages of thanks to those countries by Prime Minister Vo Van Kiet is evidence of our appreciation of their noble international assistance.

In return for their financial assistance, we should be aware of our responsibility. It means that the loans the international monetary organizations and other countries have given to us must be used appropriately and regrettable mistakes and wastage avoided.

Nov 9-10 Donor Conference in Paris Previewed
BK3010041993 Bangkok BANGKOK POST in English
30 Oct 93 p 6

[Text] Hanoi—The United States will be absent from the first Donor Conference on Vietnam scheduled to take place in Paris on November 9 and 10 marking an end to Vietnam's isolation.

"We invited the US but perhaps for certain sensitive reasons the US will be absent from the conference," said Do Quoc Sam, chairman of Vietnam's State Planning Committee.

"So far we have not received an official response to our invitation," he said.

As head of Vietnam's key agency for coordinating external help, Professor Sam is a main figure in the event which is to be co-chaired by the United Nations Development Programme (UNDP) and the World Bank.

The US absence from the conference was predicted despite Washington's relaxation of its 29-year-old trade embargo on Vietnam by allowing it access to credit from major lenders such as the World Bank, International Monetary Fund and Asian Development Bank.

The conference will be attended by 24 countries—most of which are expected to pledge aid for Vietnam's wide-ranging reforms—and 12 international organisations.

Former supporters of US policy to isolate Vietnam have become the country's active trade partners and investors.

Japan, reported to be planning to pledge official development aid of 50 billion yen at the conference, will reinforce its position as the single largest donor to Vietnam.

Prof Sam recently embarked on a mission to eight major donor countries, including the US where the World Bank and the IMF are based, as part of preparations for the conference.

"Twenty-four countries and 12 international organisations were invited as regular participants and five other UN agencies as observers," UNDP Resident Representative for Vietnam Roy Morey told a press conference yesterday.

"In fact there has been such an enthusiastic response to the conference by those invited that it seems the major problem we have is to find a way to accommodate everyone at the venue," he said.

Thailand, Malaysia, Indonesia, China, India, South Korea and Singapore are among the countries invited.

"The participation of these countries will serve as a source of encouragement to Vietnam, as we expect to share with them their experience in managing their development efforts and in effectively absorbing and utilising external development assistance," Prof Sam said.

Neither Prof Sam nor Mr Morey would reveal the size of aid commitments expected at the conference.

Prof Sam expressed confidence that the amount raised would be enough to meet Vietnam's needs.

"The level of commitments from the donor community is high. But the disbursement will be gradual, which is better for Vietnam to absorb and manage," Prof Sam said.

A 99-page document prepared by the Vietnamese government with UNDP help gives a comprehensive rundown of Vietnam's needs for national reconstruction.

Entitled "Vietnam: A Development Perspective," the report says Vietnam would need funding assistance amounting to US\$9.378 million as well as US\$219.6 million worth of technical aid between now and the year 2000.

High on the agenda is a revamp of economic infrastructure—transport, energy, irrigation and forestry, communications and support for industrial production—which takes up the bulk of help required.

US\$1.382 is required for social infrastructure, to fund projects to improve education, training, science and technology, health and culture. But the question of Vietnam's ability to digest massive external aid is clearly of concern to both the Vietnamese leadership and the donor community.

"The purpose of this conference, therefore, is not only to mobilise assistance, but also to focus on the issue of coordination," Mr Morey said. "In my view, this conference is not an end but simply a beginning. There will be a need for efforts to coordinate within Vietnam itself and to improve coordination among the donor community," he said.

Prof Sam said Vietnam was trying to ensure efficient use of loans and aid "so that Vietnam will not become a debtor unable to repay its debts, as has been the case with a number of other developing countries."

Deputy Prime Minister Phan Van Khai will head the Vietnamese delegation to the conference.

Preparation Meeting Held

*BK3010161293 Hanoi VNA in English 1442 GMT
30 Oct 93*

[Text] Hanoi VNA Oct. 30—A meeting was held here on Friday on the results of a campaigning tour in anticipation of the donors' conference on Vietnam expected in Paris from Nov. 9-11.

The tour was made by a delegation led by Do Quoc Sam, [word indistinct] and chairman of the State Planning Commission, and Mr. Roy D. Morey, resident representative of the United Nations Development Programme (UNDP).

The delegation worked with representatives of the governments and international organizations in the Philippines, Japan, Sweden, Belgium, Germany, France, the United States, and Australia.

The meeting was attended by ambassadors and representatives of the embassies of the countries which are expected to participate in the conference, representatives of the International Monetary Fund (IMF), the Asian Development Bank, UN international organizations, and non-governmental organizations.

On behalf of the Vietnamese Government, Minister Do Quoc Sam thanked the French and Japanese Governments for their initiative and important contributions to support Vietnam to clear arrears with IMF, and the Governments of Australia, Canada, Sweden, Finland, Switzerland and others for their contributions to settling this issue.

Do Muoi Receives New Belgian Ambassador

*BK2910144193 Hanoi VNA in English 1409 GMT
29 Oct 93*

[Text] Hanoi VNA Oct. 29—Party General Secretary Do Muoi received here this afternoon H.E. [His Excellency] Benoit Reylandt, newly-accredited Belgian ambassador to Vietnam.

General Secretary Do Muoi welcomed H. E. Benoit Reylandt on his appointment as ambassador to Vietnam and expressed his belief that Ambassador Benoit Reylandt will make a positive contribution to further developing [and] promoting the friendly and cooperative relations between the two countries. He thanked the Belgian Government and people for their precious support and assistance to the Vietnamese people's national construction and defense.

On this occasion, General Secretary Do Muoi asked the ambassador to convey his regards to the king and the queen, the prime minister and other Belgian leaders.

For his part, Ambassador Benoit Reylandt affirmed that the Belgian Government would continue promoting and expanding the friendly and cooperative relations with Vietnam and do their best to help the Vietnamese people in the construction of socio-economic development.

Vo Van Kiet Receives Lao Justice Minister

*BK3010161193 Hanoi VNA in English 1555 GMT
30 Oct 93*

[Text] Hanoi VNA Oct. 30—Prime Minister Vo Van Kiet received here today visiting Lao Minister of Justice Kham-ouan Boupha.

Minister Kham-ouan Bouppha informed the Vietnamese leader of the fine results of his working sessions with his Vietnamese counterpart Nguyen Dinh Loc and other offices, including the signing of cooperation agreement for 1993-1994 on exchanging of experience in law making and activities of justice offices, exchanging of delegations for survey and research on matters of mutual concern. He expressed his wish for further development of the special friendship and cooperation between Laos and Vietnam, in general, and between the two ministries in particular.

Speaking to his guest, Prime Minister Vo Van Kiet expressed his hope that apart from the traditional forms of cooperation over the past years, through the minister's visit the justice branch of the two countries will expand their cooperation with the content conforming to the

development demand in each country and pledge that Vietnam would do its utmost to help Laos in law making and personnel training.

Education Ministry Signs Agreement With Laos

*BK2910144793 Hanoi VNA in English 1413 GMT
29 Oct 93*

[Text] Hanoi VNA Oct. 29—Two documents on cooperation plan for 1994 between the Vietnamese Ministry of Education and Training and the Lao Ministry of Education were signed here today by Minister of Education and Training Tran Hong Quan and Lao Minister of Education Phimmason who is leading a delegation of the Lao Education Ministry to visit Vietnam from Oct. 25-Nov. 5.

While staying in Vietnam, the Lao delegation called at a number of universities in Hanoi and Ho Chi Minh City, the Institute of University and Education Research and economic establishments.

The delegation on Oct. 27 was received by Deputy Prime Minister Phan Van Khai.

It held talks with a delegation of the Ministry of Education and Training on possibilities of cooperation between the two ministries. During the talks, the two ministers informed each other of the situation of education of each country and exchanged views on the provisions set in the two above-said documents and on a decision on cooperation in training Lao personnel in Vietnam between the two governments.

Commentary Hails Bilateral Ties With Germany

*BK3010134893 Hanoi Voice of Vietnam in English
1000 GMT 29 Oct 93*

[Station commentary]

[Text] Relations between Vietnam and Germany have strengthened, particularly in the economic arena. That was clearly expressed in talks between the two governments from 25 to 27 October. On this event, our editor has this to say:

The Vietnamese Government delegation was led by Vo Hong Phuc, deputy head of the State Planning Committee and the German delegation by Wolf Preuss, head of the Asia Department of the Ministry Federal Economic Cooperation and Development. The two delegations held three-day talks on issues relating to economic cooperation.

In past years, relations between the two countries in this field and other fields have not developed corresponding to the potentials and aspirations of their people. But for nearly a year now, both countries have made greater efforts. The German foreign minister and other economic delegations have visited Vietnam to promote bilateral relations.

At this week's talks, concrete issues were discussed. The German side committed to support Vietnam's economic reform and assist and cooperate with Vietnam in transport and communication, forestry, water resources, environment, and health.

The two delegations also discussed measures to promote bilateral ties and investment of German businesses in Vietnam. Germany is providing aid of 63 million Deutsche mark, one third of which is a grant. The Germany's financial and technological assistance to Vietnam this year also increased by 30 percent as against last year.

Those developments show relations between the two countries are being strengthened with Germany's assistance invaluable to Vietnam in its economic renovation.

Vu Oanh Attends Women's Seminar in Hanoi

BK2910152393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 93

[Text] The Vietnam Women's Union held a scientific seminar in Hanoi this morning, on the role and place of Vietnamese women in Vietnamese families.

Present at the opening ceremony were Comrade Vu Oanh, member of the Central Committee Political Bureau; representatives of various organs, ministries, and sectors; scientists and social activists; representatives of various organs of the union's Central Committee, and of some local women's unions.

Also present at the opening ceremony were Mrs. (Helen), representative of UNICEF, and Mrs. (Mengerelle), representative of the Swedish International Development Agency in Vietnam.

Comrade Truong My Hoa, chairperson of the Vietnam Women's Union, delivered an opening speech, saying that the purposes of this seminar are to develop Political Bureau Resolution No. 4 toward building a prosperous, equal, progressive and happy family and to respond to the International Year for Families initiated by the United Nations. Delegates attending the seminar heard 14 scientific reports dealing with the theoretical and practical aspects of issues relating to the family and women.

Provincial Court Sentences Auto Smugglers

BK2810161193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 93

[Text] The Quang Nam-Danang Provincial People's Court recently held an initial hearing on a May 1993 car smuggling case involving the ship Song Thu, owned by the Quang Nam-Danang Sea Shipping Corporation. Because this major smuggling case involves anti-smuggling officials from the Quang Nam-Danang Customs Office, it has created bad feelings among the people.

Taking advantage of their duty to ferry imports and exports between the country and the outside world, a number of crewmen of the Song Thu—such as Nguyen Dinh Quy, Thai Ba Loi, Pham Van Tien, Vo Van Thuan, and Nguyen Van Hong—colluded with On Van Nhu Huan and Pho Ba Quan, respectively the acting team leader and deputy team leader of the Quang Nam-Danang Customs Office Anti-Smuggling Team, and Nguyen Van Tien, a member of the Hoa Vang Garment Export Enterprise, to organize the smuggling and illegal shipping of eight cars from Hong Kong to Danang.

The court sentenced On Van Nhu Huan to 10 years in prison and Thai Ba Quan and Thai Ba Loi to seven years in prison. The other defendants, including Vo Van Thuan, Nguyen Van Hong, Nguyen Van Tien, and Pham Van Tien, received two- to three-year suspended sentences.

The court ordered that the eight cars smuggled aboard the Song Thu be confiscated and placed at the state's disposal and fined each defendant 3-5 million dong.

The court recommended that legal action be taken by the Customs General Department and the Communications and Transportation Sector against Mr. Nguyen Tien Le, director of the Quang Nam-Danang Customs Office, and Mr. Bui Ngoc San, director of the Quang Nam-Danang Sea Shipping Corporation. Their irresponsibility allowed their subordinates to organize this smuggling, which resulted in serious consequences.

Kon Tum Conference Discusses Current Issues

BK2810150793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 93

[Text] Attendees at the Kon Tum party committee's expanded conference discussed and asserted the leadership role of the party, evaluated its achievements, and analyzed the causes of all existing problems.

The representatives contended that the evaluation of the central and central highland areas has not been adequately dealt with in the draft report. The evaluation is not in-depth and comprehensive enough. Most representatives were of the opinion that in general the local country people—especially the ethnic minority and those who live in highlands and remote areas—still suffer extreme hardships in their lives, while their intellectual awareness level remains very low.

Under these circumstances, the framework and policies for the highland regions must be highly concretized, and

the allocation of public budget funds to administrations at the district level in the highlands and mountain areas must be carried out more fairly.

Lam Dong Conference Evaluates Draft Report

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[Text] In Lam Dong, over 100 representatives attended the recent expanded conference of the provincial party committee. They unanimously agreed to the evaluation outlined in the draft report on achievements made by party officials in the first half of their four-year term. They also raised suggestions on a number of issues regarding the mountain regions that they thought had not yet been fully addressed in the draft report.

The conference attendees also discussed the action plan to implement the party Central Committee Fifth Plenum resolution. During the next two years, Lam Dong will continue to carry out five major socioeconomic programs. For example, under the 1994 program, the province will strive to increase total social production by 16 to 17 percent annually, national budget contributions by 30 percent, and average per capita income from \$250 to \$300 annually. The struggle against hunger and poverty in the rural area will be strengthened, especially for regions containing ethnic minority country people and new economic zones.

Assembly Committee on Economic Achievements

BK2910091993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Oct 93

[Text] In order to prepare for the fourth session of the National Assembly on 28 October, the Economic and National Budget Standing Committee held a meeting with mass media journalists and commentators to solicit opinions on the committee report.

Mai Thuc Lan, chairman of the National Assembly Economic and National Budget Committee, stated that the 1993 socioeconomic situation continues to overcome difficulties and make progress. It has noted some important achievements, especially in inflation control, economic development, improvement of living standards, and maintainance of social security and order.

Production is not very stable, however. The consumer market for domestic products is still limited. The financial situation and social issues still carrie problems that need to be dealt with.

Australia**Evans: Japan Must Make 'Major' Rice Concession**

BK2910095693 Hong Kong AFP in English 0559 GMT 29 Oct 93

[Text] Sydney, Oct 29 (AFP)—Japan must make a major concession in granting international access to its rice market to prevent the collapse of the Uruguay Round of global trade talks. Australian Foreign Minister Gareth Evans warned Friday.

Speaking to a group of mostly Japanese journalists here before leaving for Australia-Japan ministerial talks in Tokyo, Evans said the Japanese public had to understand its government no longer has any room to manoeuvre on the issue. "The international community demands we reach an end to some of the basic fundamental problems that have affected adversely agricultural trade and the need for comprehensive tariffication strategies is absolutely central to that."

Tariffication is the elimination of hidden barriers to trade such as those which are said to protect Japan's domestic rice market and their replacement by more visible tariffs which can then be subject to regulation and reduction.

Evans heads a delegation of six senior Australian ministers who will press their counterparts in the biennial Australia-Japan Ministerial Committee meeting next week to lend weight to a successful conclusion of the seven-year Uruguay Round of trade talks.

France is seen as the stumbling block, having refused so far to accept a U.S.-Europe compromise on agricultural subsidies. The talks, under the General Agreement on Tariffs and Trade (GATT), must be completed by a December 15 deadline imposed by the U.S. Congress.

Evans said Australia and other trading nations had pressed Japan on the same issue many times "and I believe that message has been heard loudly and clearly. "I think every Japanese decision maker knows that however difficult and sensitive in terms of domestic politics this issue is, it is one on which Japan—and similarly Korea—has to make a really major concession if the round is not to fall apart."

The fact that Japan was being forced to import large volumes of rice from countries including Australia because of the failure of the Japanese rice harvest this year could ease the political difficulties facing Tokyo. But there was "simply no scope for compromise on the question of comprehensive tariffication."

There was some scope for discussion as to the manner and timing of its implementation, "but the basic principles are absolutely clear. "Anything that amounts to an undercutting of these basic principles will simply not be accepted by the other GATT parties."

Evans believes the Japanese position, which applies only to rice, could not be compared with French policies on farm protection which applied right across the board of agricultural negotiations on export subsidies, domestic income support and market access. He described the French position as "not a very intelligent one" in terms of national interest. As a major exporter of manufactured goods and services, France stood to be major beneficiary of the Uruguay round, he said. But he believed Tokyo would simply not be able to stand out against the international pressure. "It would be so much against the Japanese national interest for the country to do so that there will be an acceptance of reality.

"Japan is a really major player in policy terms in the world and is capable of doing something creative and getting out ahead of the field. I think there are many people in the Japanese system who would prefer not to be seen as being hauled over the line kicking and screaming at the last possible minute."

Evans Discusses 'Grand Vision' for APEC

BK2910095093 Hong Kong AFP in English 0735 GMT 29 Oct 93

[Text] Sydney, Oct 29 (AFP)—Australia wants the Asia Pacific Economic Cooperation (APEC) forum to be a free-trade community with an increasing degree of cooperation and multi-lateral interdependence through reduced trade barriers, Foreign Minister Gareth Evans said Friday. But it could not for the foreseeable future be an Asian version of the European Community with supra-national institutions, highly integrated economies and mass of common legislation, Evans told foreign correspondents here.

In an effort to correct what he believes is a mistaken view of Australia's grand vision, he said when he and Prime Minister Paul Keating talked about changing APEC's name to reflect a sense of community "we are not talking about a community like the EC."

"The Asia Pacific region is much too diffuse, much too varied in the economies and cultures that make it up for it to be sensible to even begin to talk in these terms." However, he said it was not inconceivable that over the next few decades something like that could evolve.

A government briefing paper released Friday said Australia's vision for APEC is to strengthen its process of regional cooperation and move in the direction of more open economic association.

"The end point of this development process would be the establishment of an integrated regional market in the Asia Pacific," the paper says. "The Asia Pacific Economic Community which might emerge from this process would be significantly different from other existing models (ie. the European Community), whose level of political integration, complexity and formality [words indistinct] be realistically reproduced in the Asia Pacific region."

Leaders of the 15-member APEC countries, with the exception of Malaysia's Mahathir Mohamed, are to attend an informal summit hosted by U.S. President Bill Clinton in Seattle next month.

The 15 members are Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and the United States.

Evans said Australia wants to move the APEC process forward as a key trade policy body, securing an ever-greater degree of cooperation and an ever greater degree of interdependence between its economies. There would also be an ever greater degree of trade facilitation through reducing barriers and inhibitions to trade which he said still exist.

Its short to medium-term objective is "a very big effort" in trade facilitation, measures such as removing impediments to investment and the creation of basic common guidelines. "What we are talking about is harmonising customs procedures to facilitate the freer flow of goods," Evans said.

"There are still disparities in the way customs numbering applies to particular kinds of commodities and additional costs and delays are incurred as a result of that. We are talking very much about common standards, technical standards for different kinds of products, both industrial inputs and consumer goods right around the region."

Working groups have been established under the APEC process to study likely areas of cooperation in sectors such as minerals and energy, communications, transport, tourism, information exchange, policy harmonisation and identification of possible joint venture projects.

Evans Defends Suspension of Family Planning Aid

*BK2910075893 Melbourne Radio Australia in English
0500 GMT 29 Oct 93*

[Text] Australia's foreign affairs minister, Gareth Evans, has defended his government's commitment to family planning aid. A gathering of the World Scientific

Academy meeting in New Delhi has condemned Canberra's decision to suspend a \$130 million population control project for Asia and the South Pacific.

Senator Evans says the resolution passed by the scientists was based on a fundamental misunderstanding.

[Begin Evans recording] There is only that amount of money left—\$34 million—which has not as yet been earmarked and will again be the subject of further decision when this enquiry is completed. So the notion that we are somehow putting everything into deep freeze, that we have reneged on commitments already made, that we are running away from population expenditure is a complete misunderstanding, and I think that the Delhi conference clearly had the bull by the wrong horn, in that respect. [end recording]

Inflation Rate Falls to 2.2% for Quarter

*BK2710075393 Melbourne Radio Australia in English
0500 GMT 27 Oct 93*

[Text] Australia's inflation rate remains low after the release of the latest quarterly figures for the three months to September. The figures show the measure of inflation, the consumer price index, rose by 0.5 percent in the quarter taking the annual rate to 2.2 percent. Analysts in Australia say the figure reinforces the nation's status as a low inflation country producing a positive response from foreign exchange and bond markets.

Federal Treasurer John Dawkins says the result is good news for Australian consumers and business. Mr. Dawkins says the headline inflation rate is expected to rise somewhat during the course of the year as increases in taxes introduced in this year's budget begin to take effect. But Mr. Dawkins says the underlying inflation rate should remain moderate with continuing low inflation helping to maintain Australia's international competitiveness. In the wake of the outcome, Mr. Dawkins has also revised downward expectations for the inflation rate for next financial year. The government's budget of last August predicted a rate of 3.5 percent for 1993-94, but Mr. Dawkins now says the figure is likely to be closer to 3 percent.